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PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

SENATE

SATURDAY, JUNE 23, 1962

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou Master of all good workmen, who dost accomplish Thy purposes on the earth through Thy servants who make Thy will their own: For all such who from their labors rest, who Thy name before the world confessed—Hallelujah.

Once more in this Chamber, in all the strife of tongues, a voice is hushed. Again, as a session here is called to order, there sounds in our ears, out of the silence, the solemn reminder: "In the midst of life, we are in death."

We pause with a sense of personal grief and with the poignant consciousness that a voice which rang out so passionately within these walls but a few hours ago is silent now, as suddenly an honored Member of this body has laid down his burdens of public service, with his stewardship of world responsibility well performed. Gazing at the empty seat of our friend and colleague, Francis Case, we think with admiration of his ethical integrity as his strict and sensitive conscience, molded in the dedication of church parsonages, was never betrayed or even lured by the sirens of expediency.

And now, as we pray for Thy sustaining grace upon those who were nearest and dearest to our brother who answers no longer to his name here, may they and we be comforted and inspired by the record he has left, that—

E'en as he trod that day to God,
So walked he from his birth:
In simpleness and gentleness
And honor and clean mirth.

In the name of the risen Redeemer, who declares, "Because I live, ye, too, shall live." Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 22, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting

nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Francis Case, late a Senator from the State of South Dakota.

The message announced that the House had passed, without amendment, the following bill and joint resolution of the Senate:

S. 3266. An act to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section; and

S.J. Res. 192. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

The message also announced that the House had passed the bill (S. 3025) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 11643. An act to amend sections 216 (c) and 305 (b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19 (d) of the Securities Exchange Act of 1934, and for other purposes; and

H.R. 12037. An act to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 11643. An act to amend sections 216 (c) and 305 (b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates; to the Committee on Commerce.

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19 (d) of the Securities Exchange Act of 1934, and for other purposes; to the Committee on Banking and Currency.

H.R. 12037. An act to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence; to the Committee on Armed Services.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of January 15, 1962,

Mr. HOLLAND, from the Committee on Appropriations, reported favorably, with amendments, on June 22, 1962, the joint resolution (H.J. Res. 745) making supplemental appropriations for the fiscal year 1962, and submitted a report (No. 1617) thereon, which was printed.

Pursuant to the order of the Senate of June 22, 1962,

Mr. BYRD of Virginia, from the Committee on Finance, reported favorably, with amendments, on June 22, 1962, the bill (H.R. 11879) to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates, and for other purposes, and submitted a report (No. 1616) thereon, which was printed.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF SELECTED ASPECTS OF AWARDS BY GENERAL SERVICES ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected aspects of awards by General Services Administration and administration by certain

using agencies of contracts for rental of electronic data processing equipment, dated June 1962 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF SECTIONS 281 AND 344 OF IMMIGRATION AND NATIONALITY ACT

A letter from the Attorney General, transmitting a draft of proposed legislation to amend sections 281 and 344 of the Immigration and Nationality Act (with accompanying papers); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on tort claims paid by that Department, during the fiscal year 1961 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF BOARD OF ACTUARIES OF CIVIL SERVICE RETIREMENT SYSTEM

A letter from the Chairman, U.S. Civil Service Commission, transmitting, pursuant to law, a report of the Board of Actuaries of the Civil Service Retirement System, for the fiscal year ended June 30, 1961 (with an accompanying report); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

FEDERAL INCOME TAX ON INTEREST DERIVED FROM PUBLIC BONDS—RESOLUTION

The VICE PRESIDENT laid before the Senate a resolution adopted by the City Council of the City of South San Francisco, protesting against the imposition of a Federal income tax on income derived from public bonds, which was referred to the Committee on the Judiciary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1912. A bill to increase the appropriation authorization for the completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Montana (Rept. No. 1618).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co. (Rept. No. 1619).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Massachusetts:

S. 3462. A bill for the relief of Jose De Oliveira Gamellas; to the Committee on the Judiciary.

By Mr. COTTON (by request):

S. 3463. A bill to provide for the case of inability of the President or Vice President or interim successor; to the Committee on the Judiciary.

By Mr. HILL:

S. 3464. A bill to change the name of the Memphis lock and dam on the Tombigbee River near Aliceville, Ala.; to the Committee on Public Works.

By Mr. HUMPHREY:

S. 3465. A bill for the relief of Dr. Alex P. Avestruz, his wife, Dr. Nerissa L. Avestruz, and their children, Alex P. Avestruz, Jr., and Alner Avestruz; and

S. 3466. A bill for the relief of Dr. Mustafa Muharrem Aksoy; to the Committee on the Judiciary.

FUNERAL EXPENSES OF THE LATE SENATOR FRANCIS CASE OF SOUTH DAKOTA

Mr. MUNDT. Mr. President, after consultation with the majority leadership, I submit a resolution, in connection with the death of Senator Case of South Dakota, and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of the Honorable Francis Case, late a Senator from the State of South Dakota, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 353) was considered and agreed to.

EXTENSION AND IMPROVEMENT OF PUBLIC ASSISTANCE AND CHILD WELFARE SERVICES PROGRAMS OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. SALTONSTALL. Mr. President, I submit amendments, intended to be proposed by me to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, and I ask that the amendments be printed and lie on the table.

The amendments affect the public welfare assistance bill. I have talked about the amendments with the Senator from Oklahoma [Mr. KERR], who is in charge of the bill. I hope the amendments will be acceptable to him and to his associates. They mean much to Massachusetts and, I believe, to a number of other States.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table.

COMMERCIAL COMMUNICATIONS SATELLITE—AMENDMENT

Mr. SPARKMAN. Mr. President, I submit an amendment to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which is designed to insure that small business concerns have an equitable opportunity to share in the procurement incidental to the satellite program. This amendment would provide that the Federal Communications Commission and the Small Business Administration cooperatively develop a small business contracting program.

Last year, the Congress provided for this kind of a program with respect to the Department of Defense and the General Services Administration. The purpose of this amendment is to make the satellite program consonant with existing law.

I think it is necessary and, if approved, will greatly strengthen small business participation in this new venture into space.

I ask that the amendment be printed and that it lie on the table.

Also, Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 27, line 17, beginning with "and the commission shall consult" strike out all through "maintenance and repair." on line 24.

On page 30, after line 18, insert the following:

"(12) in order to insure that small business concerns are given an equitable opportunity to share in the procurement programs of the corporation and communications common carriers for property and services (including but not limited to research, development, construction, maintenance and repair), cooperatively develop with the Small Business Administration within 4 months after the effective date of this Act a small business contracting program which shall contain such provisions as may be necessary to (A) enable small business concerns to receive, either directly or as subcontractors, a fair proportion of the contracts and procurements for property and services (including but not limited to research, development, construction, maintenance and repair) awarded in the implementation and effectuation of the purposes of this Act, and (B) enable the Small Business Administration to obtain from the corporation and communications common carriers such reasonably obtainable information concerning contracts and procurements, including subcontracts thereunder, awarded in the implementation and effectuation of the purposes of this Act. In the event the Federal Communications Commission and the Small Business Administration cannot reach agreement on any matter with regard to the development of the small business contracting program, the matter in disagreement shall be

submitted to the President who shall make the final determination. The small business contracting program developed pursuant to this subsection shall be incorporated into the articles of incorporation of the corporation created under title III of this Act and shall be made applicable to the communications common carriers participating in the corporation."

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate has received the nomination of Charles Edward Rhetts, of Indiana, to be Ambassador to Liberia.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 22, 1962, he presented to the President of the United States the enrolled bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of school-children in the District of Columbia.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GOLDWATER:

Address delivered by him before the 77th annual convention of the National Editorial Association, at Hershey, Pa., on June 22, 1962.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Mr. President, I ask that the unfinished business be laid before the Senate and be made the pending business.

There being no objection, the Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

REGULATION OF EXPORTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1536, Senate bill 3161.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered; and the bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes.

Mr. STENNIS. Mr. President, a parliamentary inquiry: Is the Senate now proceeding with morning business?

The VICE PRESIDENT. No.

Mr. STENNIS. Mr. President, earlier this month, as we know, the Senate acted on amendments to the foreign aid bill that prohibited aid to any country "known to be dominated by communism or Marxism," but later relaxing that action, so as to permit the shipment of agricultural products to such countries. I heartily commend Senators PROXMIER and LAUSCHE for their timely and effective work on their amendments.

We have not yet heard from the House; therefore, the amended aid bill has not been enacted into law. I note that on Wednesday, debate on the question of aid to Communist countries continued on the floor of the Senate.

It is eminently proper and germane to this continuing issue that such debate should continue, despite the vote on June 6 and 7 on the Proxmire-Lausche and the Mansfield-Dirksen amendments, because the underlying issues in the matter have not been resolved by our votes, nor will they be resolved under any action we take on the current measures.

From the furor caused in the executive branch by the Lausche-Proxmire amendment, it might be thought that the Senate suddenly, and without notice, had taken precipitate action wholly contrary to any previous expression or manifestation on the subject. But, of course, this is not true. Indeed, Public Law 480, enacted in 1954, prohibits aid, not alone to Russia, but also to "any nation or area dominated by or controlled by the foreign government or foreign organization controlling the world Communist movement."

Again, the Battle Act operates, unless an exception is granted by the President, to prohibit aid to any country sending strategic materials behind the Iron Curtain.

So Congress has spoken before on the subject, under Public Law 480 and the Battle Act, against the shipment of agricultural products and strategic materials to Communist or Communist-dominated countries. Special findings are required, under Public Law 480, that a country receiving aid is not "controlled by the foreign government or foreign organization controlling the world Communist movement."

Similar findings are required under the Proxmire-Lausche amendment—namely, that the recipient country is not known to be dominated by communism or Marxism.

In the face of such analogous provisions of laws before and after June 1962, there was no reason for Mr. Kennan or Mr. Ball to believe that Congress had suddenly adopted views, departing from those previously held, concerning aid to Communist countries or Communist-dominated countries.

In this connection, I am reminded of the numerous times the late Senator Styles Bridges took the floor of the Senate and spoke on the critical questions at hand, and I well recall his lucid and refreshing expressions of view on other occasions.

Another to whom I am indebted for perceptive analysis of the problem is Robert E. Hansen, now commander in chief of the Veterans of Foreign Wars, who has several times, with powerful

logic, spoken to me of his strong opposition to continuation of aid in any form to Communist countries. Commander Hansen has been ceaselessly active in alerting the Nation to the dangers inherent in such policy, as have a number of other worthy organizations which have sounded the same note. I cite these examples as evidence of general concern outside of the Halls of Congress.

Those of us in Washington opposed to this assistance are not alone in our view; and if we are to be pilloried, the people must be pilloried, too. Washington is not a vacuum sealing us off from grassroots feeling and expression.

Bearing in mind this background of awareness and concern in Congress and throughout the Nation, awareness and concern by people in the forefront of the struggle to preserve this great Nation against all of our foes, I found myself both distressed and perplexed when the Senate action on the Lausche-Proxmire amendment was referred to in derogatory terms by an administration spokesman, Under Secretary George W. Ball. Appearing on June 7 as a witness before the Special Preparedness Subcommittee, of which I am chairman, Mr. Ball stated that he wanted "to try to put the Yugoslav matter in some perspective"; and then he characterized the Senate vote on the Lausche-Proxmire amendment as "pursuing a no-win policy." Mr. Ball contended that foreign assistance to Poland and Yugoslavia was in aid of eventually separating the people of these countries from their Communist masters. Then Mr. Ball said:

And if we are not going to offer them hope, then I submit, Mr. Chairman, we are pursuing, not a "win," but a "no win" policy.

Mr. President, I am one who believes that resort to catch phrases and to slogans is not in aid of clear thinking or precise analysis; nor does Mr. Ball's resort to this mode of expression assist us in bolstering the struggle against world communism.

Is Mr. Ball saying to us that we win only if we subsidize our enemies; that we win only by giving assistance, so that Communist dictators will be preserved in continuance of offices which otherwise they might be thrust out of by an angry, hungry people?

Is Mr. Ball saying that it is to our advantage to preserve a Tito, who said on June 11, 1956, at Belgrade:

Yugoslavia, in time of war, as well as in time of peace, marches shoulder to shoulder with the Communist people toward the same goal—victory over the enemies of socialism.

Is Mr. Ball saying that it is pursuing a no-win policy—whatever that means—to deny aid to Tito, who visited Nasser, in Cairo, Egypt, on April 19, 1961, and, according to the Arab Review, together with Nasser expressed views antagonistic to our position on Cuba. The Arab Review states:

Topping the agenda of their talks was the Cuban issue. They regarded recent and current acts of foreign intervention in Cuba, through the supply of arms, and aiding invading elements, as a flagrant assault on Cuba's independence, a denial of the United Nations principles and a breach of world peace. To frustrate these attempts the two

leaders called for collective and immediate action by the world community of nations.

And do we pursue a no-win policy if we withdraw or decrease our aid, after supplying \$2,392 million in economic and military assistance since 1946 to Yugoslavia while they continue highly critical of the United States. In the well-advertised conclave of so-called neutral nations at Belgrade, in September 1961, Marshal Tito delivered his own critical speech, and then led his country in voting for a communique in which the United States was lambasted.

On the eve of the conference, the Soviet Union launched its series of nuclear explosions. With typical timidity and fear, the nonaligned countries simply called for resumption of negotiations on a nuclear-test ban. There was not the slightest censure, actual or implied, of the Soviet Union for resuming these tests.

Indeed, the greater part of the communique issued by the conference was on a par with their flagrantly unneutral attitude. The conference roundly condemned colonialism-imperialism as the source of all conflict, but found "colonialism" only in Africa; it approved the struggle of the Algerian people for independence, and encouraged the Angolans to do the same; but it said not a word about national self-determination for the Germans, or indeed, for the people of South Vietnam or Laos. The communique demanded the withdrawal of Western forces from Asia, Africa, and Latin America—but made no mention of Soviet forces in eastern Europe. The so-called neutrals supported in specific terms the Cuban Government and even suggested the evacuation of our naval base at Guantanamo.

What has there been in the conduct of Yugoslavia in the United Nations to demonstrate a friendly attitude in return for our great largesse through the years? Under date of June 13, 1962, I was supplied with a compilation by the State Department showing that during the period 1961 through February 1962, Yugoslavia's voting coincided with that of the Soviet Union 30 times, but coincided with that of the United States only 5 times. This sounds something like the "marching shoulder to shoulder" Mr. Tito spoke about in 1956.

The State Department argues that we should distinguish between governments and peoples. This is a contention that seems to have appeal, but which invites more than superficial examination, because it is undeniably true, I believe, that we cannot help the people without assisting the regime that controls its people. For example, with India receiving economic aid at a rate well over \$700 million a year, an unfriendly Krishna Menon finds he is able to criticize the United States. At the same time he negotiates for the purchase of supersonic airplanes from the U.S.S.R., a purchase calculated to put the purchaser in the thrall of the vendor, because India would have to go to Russia for spares and replacements. So do we help to perpetuate the hostile in office.

Here I subscribe to the proposition that the lives of Americans are the paramount consideration, transcending the highly creditable motive of seeing that no one goes hungry.

I find no substance in the contention that, unless we continue to furnish aid to the Communist countries, that they will ally themselves with the Soviets.

By what a slender thread of allegiance are these countries bound to us after all these years if, with the withdrawal of our assistance, they would immediately ally themselves with another nation? If this be so, the sooner we know it the better. If the mounting evidence of the years be consulted, there is a very good chance that these peoples do not even know that it is not Tito or Gomulka who is responsible for the assistance.

As I have stated, the question of assistance to Communist countries is of deep and vital concern to the American people. Our commitments, military and economic, are worldwide. Our economic programs continue to build up, not to decrease, and we now have assistance programs of one kind or another in 95 countries. At enormous cost we have built a powerful military machine, with our troops stationed all over the world.

The question inevitably presents itself as to how long we can continue this unbelievable effort in the face of rising costs, budget deficits, and ever-increasing demands from the beneficiaries of our bounty.

I think the time is at hand when we will have to make necessary decisions as to where our aid programs can be further decreased. What better place to start than with the Communist countries? The bills we have passed at least have made some start in this question. At least we are guaranteed for the time being against development loans and military assistance to the Communists.

I hope this debate will continue, that it will be a matter of the deepest concern to the legislative branch of Government, and that this year, in a clear-cut, decisive vote, the will of the legislative branch of the Government will be clearly and firmly determined. This is a matter that, in a measure, we have played with for many years, and I think the time for decision is now at hand.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from New York.

Mr. KEATING. I commend the distinguished Senator on the excellent speech he has made, which has put this problem, in my judgment, in proper focus. We shall have an opportunity today, in some amendments to the extension of the Export Control Act, to further strengthen, in my judgment, our hand in the worldwide struggle with which we are faced.

Mr. STENNIS. I thank the Senator. I do not know the nature of the amendments to which he refers. I hope they are something I can support. I do not know that what I was striking at would apply in that bill. I know it would apply more directly in the other bill.

Mr. KEATING. The problem the Senator was striking at was the problem of our aid to other countries which

either are Communist or are building up the Communist potential.

Mr. STENNIS. That is correct.

Mr. KEATING. The problem before us today is with regard to our own export policies and the question of our exports of strategic goods to Iron Curtain countries. I hope the Senator will be able to hear the debate.

Mr. STENNIS. I thank the Senator. I merely did not want to pledge myself now to supporting the amendments when I did not know what they were.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

THE LAST B-52

Mr. CARLSON. Mr. President, the last Air Force B-52H on order for the Strategic Air Command was rolled out yesterday at 11:40 a.m. central standard time from final assembly at the Boeing Co.'s Military Aircraft Systems Division in Wichita, Kans.

There was no fanfare connected with the rollout of the last B-52, the Nation's only long-range manned bomber in operational service today. I feel, however, it is the time to pay tribute to a great aircraft and to a great aircraft company.

It was my privilege to be present at Boeing, Wichita, when the first of the great four-engine long-range B-29's was rolled off this same assembly line back in September of 1942. Since that date Boeing, Wichita, and Boeing, Seattle, have been the great centers for the production of Air Force aircraft.

The final B-52H was moved out of the same area where 466 of the eight-jet global weapon systems were produced before it, and towed across the ramp to the paints and finishes hangar. It emerges from the same area where 1,390 six-jet B-47 medium bombers and 1,644 four-engine, long-range B-29's also were built for the Air Force.

At its peak, the B-52 manufacturing program provided employment for some 35,000 persons in Wichita and created a subcontractor-supplier network of nearly 4,000 firms in 43 of the Nation's 50 States.

History of the B-52 Stratofortress dates back to 1946, when the Air Force set up basic requirements for the new weapon system. The first one was flown April 15, 1952, and on September 4, 1954, the YB-52 traveled from Seattle to Dayton, Ohio, to the National Aircraft Show at an average speed of 624 miles an hour, better than the jet fighters in the Bendix trophy race that year.

Equipped with Pratt & Whitney turbofan engines, each developing 17,000 pounds of thrust, the B-52H has an unrefueled range of more than 12,500 miles and is capable of delivering nuclear or conventional weapons from its bomb bays to any military target on earth.

The B-52H also will carry four long-range hypersonic Skybolt ballistic missiles, when they become operational, enabling it to strike multitargets thousands of miles apart on a single mission. In the meantime, it is armed with two supersonic Hound Dog missiles.

Among B-52H refinements is the advanced capability radar system which

permits "treetop" level strike runs of hundreds of miles on an unerring course. At the other extreme, the 488,000-pound intercontinental bomber has been flown to altitudes above 60,000 feet.

Outstanding B-52 records include an around-the-world flight in 45 hours and 19 minutes set by three B-52's January 18, 1957, and a 10,000-mile closed circuit course by SAC B-52G December 14, 1960. A SAC B-52H topped this mark by 1,303 miles on June 7, 1962, without refueling, setting new speed and distance records. A SAC B-52H also claimed 11 distance, course, and speed records for an unrefueled flight of 12,519 miles, from Okinawa to Torrejon, Spain, on January 11, of this year.

The Air Force said:

Addition of the B-52H to SAC's operational inventory significantly increases the Command's deterrent capability. With its added capability to launch Hound Dog missiles and later the Skybolt air-launched ballistic missiles, the B-52H represents the most flexible deterrent found in this country today.

Although the production effort is ended, the B-52 fleet will continue to serve as a front-line defense system for many years to come. Air Force officials have indicated that the B-52 fleet will be constantly improved to meet continuing changes in future defense requirements.

With the rollout of the last mighty B-52 aircraft, another milestone in superior defense aircraft production has been reached by the Boeing Co. and her thousands of skilled employees.

PROTECTION AGAINST DISSEMINATION OF LIVESTOCK AND POULTRY DISEASES

Mr. ELLENDER. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives pertaining to S. 860.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 860) to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes, which were, on page 2, line 24, strike out "extremely"; on page 5, line 5, strike out "knowingly"; on page 5, line 6, after "agent" insert "knowingly"; on page 6, line 23, strike out "person or"; and on page 6, line 25, strike out "person or".

Mr. ELLENDER. Mr. President, the amendments to S. 860 which were adopted by the House of Representatives are minor and principally of a technical nature. S. 860 is a comprehensive law dealing with animal quarantine problems. Our animal quarantine laws have been enacted from time to time to meet particular situations and have been made applicable to specific animals, diseases or circumstances. They fail to cover or provide different authority with respect to other animals, diseases or circumstances where there should be broad and uniform authority. S. 860 provides that authority. The House amendments make three changes in the bill. First, the word "extremely" would be omitted in one place where it appears to be redundant. Second, the word "knowingly" would be transposed for the purposes of

clarity. Third, the authority to stop and inspect persons without a warrant would be omitted. The authority to stop and inspect means of conveyance would be left in the bill.

I move that the Senate concur in the House amendments.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

DISPUTE BETWEEN APPROPRIATIONS COMMITTEES OF THE TWO HOUSES OF CONGRESS

Mr. MANSFIELD. Mr. President, the Nation may presently view with a kind of humor the dispute which has developed between the Appropriations Committees of the two Houses. If this situation persists much longer, however, the Nation as a whole will discover that it is not a laughing matter. There will be payless pay days for an ever-increasing number of Government employees, even as there already are for the Secret Service. There will be work stoppages throughout the Nation and thousands thrown out of employment in industries dependent on defense and other Government contracts. No part of the Nation will escape the disastrous effects of this jurisdictional dispute. There is no Taft-Hartley law, no Presidential seizure powers, which can be invoked in this instance. The responsibility is solely ours—that of the two Houses of Congress.

Parliamentary difficulties of this kind have occurred in other nations. We have been amused by them, safe in the assumption that they could not happen here. But we are close to the point in this dispute when this Nation may well become the object of ridicule.

Mr. President, I do not underestimate the importance of symbolism and protocol in the legislative branch of the Government. It is immensely important for orderly procedure. But it seems to me that we had best be on guard lest an obsession with the form erode the substance of our function.

I daresay that if this matter were put to a vote in the Senate at this time, this body would support the position of its Appropriation Committee 100 percent. By the same token, if the matter were put to a vote in the other House, the results would be the same in support of their committee. Each body would have thus proved its fealty to its own segment of the institution of the Congress. In so doing, however, we would have each placed the institution above the needs of the Nation; and on a matter, moreover, which is to all outward appearances not one of substance. I cannot believe that either the Senate or the House is prepared to quibble in this fashion at the expense of the Nation. Therefore, Mr. President, I am inclined to think that there is more at stake here than protocol or procedure. Underlying this dispute may well be a deeper and more fundamental issue which has to do with the relative importance and power of the House and the Senate in the total constitutional structure of this Government.

As Members of the Senate know, I have seen service both in the House and the Senate—almost an equal number of years in each. I have always assumed and acted on the assumption that the two bodies were of coequal importance and power, except where the Constitution specifically designates a somewhat emphasized or unique role for the one or the other. I have always assumed that the protocol and procedures of the conference committees—taken as a whole—reflected this equality with reasonable faithfulness. I am at a loss, therefore, to understand why the House has challenged this situation in this instance after so many years of established practice.

I should not foreclose the possibility that there may be a just grievance here. But I do not think that the question is properly viewed on the basis of one conference committee alone. I think the problem, if there is one, must be seen in the perspective of the sum-total of the relationships of the two Houses. And I most certainly do not believe that a dispute in one conference committee should go on unnoticed by the rest of the two Houses until it reaches the point that it threatens to throw into disrepute the entire Congress and to embarrass the entire Nation. Each House is responsible for its committees. Both Houses are responsible to the Nation.

If there is a problem, if there are just grievances, if the procedures and protocol do not reflect the essential equality of the two Houses, reason suggests that the whole question of the conference as between the two Houses and not merely the question in this one Committee be examined in the leisure of adjournment by bipartisan groups from both Houses meeting together and soberly considering the matter. Reason suggests, further, that the interests of the entire Congress and the Nation would be served in the interim by the two committees proceeding in general as they have proceeded for years and decades without prejudice to any claim which may be made for subsequent adjustment in protocol or procedure in terms of the total relationships of the two Houses.

If this dispute can be resolved on this basis, I would be most happy to support a thorough and dispassionate review of the entire situation by a bipartisan and bicameral group of Members in the ensuing months.

I must emphasize that even as this Government depends on checks and balances, it depends equally on restraint and comity as among the branches and within the branches. The latter can be ignored only at the risk of the breakdown of orderly government.

HOUSE REJECTION OF THE KENNEDY FARM PROGRAM

Mr. WILLIAMS of Delaware. Mr. President, a couple more victories for the American taxpayers such as was achieved the day before yesterday when the House defeated the Kennedy-Freeman farm program will do more to restore the confidence of the business world than all the speeches that can be made at Yale and Harvard combined.

Both the American taxpayers and the American farmers scored a tremendous victory when the House rejected the Kennedy farm program. Instead of the administration's farm program saving the American taxpayers \$1 billion annually, it would have cost at least \$1 billion more than the present program as the result of the higher support prices and the higher production payments provided for in the administration's plan.

The taxpayer-farmer victory does represent a great loss to the corporate type of farming operations such as I described last week when I pointed out how some of our major corporations, banks, penitentiaries, airports, et cetera, under the Kennedy feed grains program were all reaping tremendous windfalls. It was a death blow to the Billie Sol Estes type of operations.

Secretary Benson advocated a lower and more realistic support price for feed grains and reduced government controls, but for years Congress has rejected his plan and insisted upon a continuation of the higher support program. The Kennedy-Freeman program would have increased these already high supports even further, and then to control production they proposed to place the American farmers in a straitjacket of controls whereby they could be sent to the penitentiary for disobeying any whim of some New Frontier bureaucrat.

As proof that the Kennedy farm program would not cut surpluses I call attention to the fact that under the 1961 Kennedy feed grains program more corn was placed under Government loan and in Government warehouses than ever before.

The administration's pious claim that it could further increase support prices on all feed grains and still cut the overall cost of the farm program was just too fantastic for Congress to swallow.

The President has charged the Republican Party with the sole responsibility for the defeat of the Kennedy-Freeman farm program. As one Republican, I accept this charge as a compliment and welcome to the Republican Party, the 48 Democratic Congressmen who joined us in defeating this bill and whom the President is now repudiating.

The real reason for the defeat of the Kennedy-Freeman farm program can be summed up in just one sentence: Congress, as well as the business world, is becoming concerned and alarmed over what appears to be the insatiable greed for power on the part of the Kennedy Frontiersmen.

The solution to the farm program is for the Government to begin an orderly withdrawal from the support and control of the American farmers rather than the adoption of a plan to extend such supports and controls even further. This does not mean that we can repeal these programs overnight and thereby dump the \$8 billion inventories on the market as threatened by the administration. This would create chaos both domestically and internationally, but certainly you do not correct a bad situation by expanding the evils which created it.

Mr. MORSE. Mr. President, the speech of the Senator from Delaware was very interesting. It was very interesting indeed. The great economizer from Delaware apparently is not interested in the \$1 billion that would have been saved if the farm bill had been passed.

The farm bill was not a perfect bill. It could have stood some improvement. Some of us who were among its advocates had recommended improvements. I am willing to take to the Republican Party in the coming campaign the farm issue, if the Republicans wish to make it a political issue. Although I think the subject should be a nonpartisan issue, I am ready to take them on, as I am ready to take on that great white collar farmer from Gettysburg, Pa., whose farm was principally subsidized by gifts. When he was President of the United States, the great white-collar farmer from Gettysburg, in clear violation of the spirit, intent, and ethical standards of the conflict-of-interest doctrine, accepted gifts of livestock, farm machinery, and many other gifts connected with equipping his farm, amounting to many, many thousands of dollars in value. He should be about the last person in the country to comment upon the farm subsidy issue or for that matter any other subsidy issue including stockpile subsidies to his business cronies.

Last night the great farmer from Gettysburg who suggested that the old people in our country should not support a medical bill under social security at the Sheraton-Park Hotel had much to say on the farm question. The great farmer from Gettysburg does not have to worry about ever paying a hospital bill. The old people of the country should repudiate and resent his views on medicare just as the farmers should remind him that 8 years of his Benson farm program will go down in history as a gross injustice to the farmers.

He is against social security protection for the health needs of the old people of America, but the old people should not forget that he has been taken care of all his adult life at the expense of the taxpayers of the country in Government hospitals. I speak of the medical bills paid for by all the taxpayers for the pocket benefit of the great farmer from Gettysburg who drew a partisan line last night on the farm issue. His petulant speech attacking the Kennedy administration was not only in bad taste, but it was a psychological revelation of what is bothering the great farmer from Gettysburg. He obviously knows that the people know that Kennedy is for the people, while Eisenhower's political record has been one of surrendering to the exploiters of the people.

I wish to say to the Senator from Delaware that we will make the farm issue and medicare issue partisan issues in the 1962 campaign, if that is what the Republicans want. However, I think we ought to try to work out a farm bill that would seek to bring to an end the kind of waste with which we are confronted now in the storage of agriculture commodities under a return to the Eisenhower-Benson wasteful debacle. The huge payments that are made for storage un-

der the Eisenhower-Benson wasteful program go to business interests and not to farmers.

Mr. President, if we are to talk about what has happened in our country by way of subsidies, then let us talk about the subsidy that American business receives in our defense economy. American businessmen receive great defense subsidies from what is really nonproductive economic activity. From the standpoint of a sound civilian economy and a sound free economy, the kind of defense subsidy that American businessmen are getting makes the subsidy to the American farmer look like economic peanuts.

The fact is that we must have that kind of a defense subsidy in order to keep our country secure. Therefore, I have supported the defense production subsidy program in the interest of national defense security. The fact is that to date we have had to have farm subsidies in order to keep our food economy secure. However, there has been waste in the Eisenhower-Benson program, and the Kennedy farm bill would have saved at least \$1 billion of it. But one of the great defense weapons we have is our surplus food. We are constantly demonstrating to the Communists our superiority in the production of food. One of the great failings of the Communist segment of the world is that they cannot feed their people.

Of course, we ought to put our great food surplus to work in the cause of freedom around the world rather than let so much of it spoil in Government storage. We try to do it under our Public Law 480 food program, which many of us have supported for years, and continue to do so. But some of us are urging that surplus food be taken out of Government storage and placed into the empty stomachs of people around the world. That is one way to help win the cause for freedom and show up the Russians. That is why some of us have been impolitic enough in the last couple of weeks—and while we are criticized for it, we are used to such criticism—to suggest that some of the surplus food should be distributed through the International Red Cross, or through one of the economic agencies of the United Nations, or through some other international organizations so that we get it into empty stomachs.

In my speech on this subject in the Senate the other day I stressed the moral obligations involved in this matter. Our religious teachings press down upon us for consideration on this issue. As a Christian I cannot forget that all people including hungry Communists are also the children of God. Incidentally I think that Christian charity is a sound rule of governmental action as well as private action in respect to feeding starving or hungry people. The use of our surplus food as a foreign policy weapon in the battle for men's minds in the underdeveloped and Communist areas of the world will show up the failure of communism about as much as anything we could do. We should support President Kennedy in the farm bill that he has proposed and that all of the Republicans in the House save one scuttled in a bitter partisan attack. True, 48 Demo-

crats undercut the President's farm program along with the Republicans, and in so doing helped throw away \$1 billion that could have been saved.

For the Senator from Delaware to stand here this morning as a great economizer and express his glee in hearing that the farm bill had been defeated, I do not believe, is in keeping with the Senate record that the Senator from Delaware has made for economy in other respects. I am disappointed to hear partisan talk from the Senator from Delaware on the farm issue. It is talk that is not in the best interest of our farm population.

Working together, we have an opportunity in the closing weeks of the present session of Congress to get together once again and see what kind of farm bill we can work out which will accomplish the objectives that the Senator from Delaware and many of us want to support in bringing about a needed reduction in the cost of our farm administration. But at the same time we must protect the family farmer, which in my judgment would have been helped under the Kennedy farm bill which was passed by the Senate.

Mr. President, to defeat the Kennedy program and return to the Eisenhower-Benson program, which is about all that is now left, is the greatest disservice that we could render the American farmer. As of this hour the Republican contribution to the farm problem is a suggestion that we return to the Eisenhower-Benson program. The voters repudiated that program in election after election at the State levels in 1960 and also in the national election. I am convinced they will again in 1962.

I wish to say to the Chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], who sits in front of me, that I appreciate what he did in taking through the Senate so effectively the Kennedy program. I appreciate all that he tried to do in regard to the farm bill.

I am satisfied that he will try to pick up the debris and see what we, working in a nonpartisan manner in the interest of the farmer, can do to bring back together again the kind of farm bill that we ought to pass before we adjourn, even if we remain here until Christmas.

Mr. WILLIAMS of Delaware. Mr. President, on some points I wish to say that I agree with my good friend from Oregon. The subsidy to the American farmer is but one of many subsidies, that should be attacked and reduced. As the Senator well knows, I have opposed these many subsidy programs for the past several years. I opposed them before the present administration came into power and I oppose them now. However, extension and expansion of the evils which created these surpluses would not correct it in the present administration any more than it would under any other administration.

The Senator has made the point that certain segments of business are being subsidized, and that therefore we should not criticize a subsidy for the farmer. All of these many subsidies should be

corrected. The other day we had a yeay-and-nay vote on one such subsidy. I refer to the subsidy for the lead and zinc industry. I do not know how the Senator from Oregon stood on that vote. That is his business. But at that time the Senate voted to continue a special subsidy for the lead and zinc industry, which I thought was wrong. I do not believe it can be justified any more than you can justify a continuation of the high support program for farmers.

High supports create surpluses and surpluses create huge storage costs. I have always opposed these excessive and expensive subsidy programs and they do not smell any better merely because they have the blessing of the New Frontier.

Another example is the enormous subsidy paid to the American shipping industry. I recognize that there is a need for some subsidy to readjust the wage scales of American-flag vessels as compared with foreign-flag vessels, but I think it has gone too far. As one example, I believe the 6-percent west coast differential that is now allowed to be paid for the construction of ships on the west coast over the east coast is wrong. I think when the Government buys ships or contracts for their construction it should do so at the best competitive price from responsible bidders. Thus far I have been unsuccessful in correcting this abuse of the taxpayers' money.

I agree fully with what has been said so many times on the floor of the Senate that what we are all trying to achieve is a farm program that will protect the American family farmer. The aspiration sounds nice. We all agree with that aspiration just as we agree with the defense of motherhood in America.

But what has the Congress or the administration done about it?

How can we justify under the 1961 feed grain program payments of over \$5,000 to the Ford Motor Co. in return for an agreement to stop growing agricultural products? I did not know that the Ford Motor Co. could be classified as a small family farmer. I did not know how the Louisiana State Penitentiary, which in 1961 has collected \$45,414 in return for its agreement to curtail its farming operations, could classify as a small family farmer. I did not know that these two outfits were small family farmers in America. Yet they are classified as small family farmers on the New Frontier.

Nor do I believe that airports should qualify as family farmers. Yet under the plan that was before us, if it had become law, these payments would have been mandatory to these people. If they refused to comply with the plan, they would have been subject to fine and even penitentiary terms. Just how you could put the Louisiana State Penitentiary in the penitentiary for noncompliance, only a Frontiersman can explain.

I do not believe that we should perpetuate such a program. I notice the Senator from Louisiana [Mr. ELLENDER] is getting on his feet—and I hope he will correct me if I am wrong—but I am sure he will agree that if the bill had become law, the farmers would have been obligated to comply, if the plan had been approved in a referendum.

I voted against this ridiculous program and repeat it was a victory for the taxpayers when it was defeated by the House.

Some may argue to what extent we need a farm program. I have always said that we cannot cut the farmer loose and repeal the farm program overnight. However, there should be introduced some elements of good commonsense into the program. Under no circumstances would I support a bill under this administration or any other administration which would put the farmers of America or put American business under the straitjacket control such as suggested by the Kennedy administration. It is this insatiable greed for power on the part of the New Frontiersmen that has scared not only the American farmers—the business world—but the Congress as well.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. ELLENDER. I feel that my good friend from Delaware does not yet understand what was in the farm bill which passed the Senate some time ago. The purpose of the bill was to tell a farmer, "If you desire your Government to give you price supports, you will have to agree to reduce your acreage in keeping with what we need."

That is all the bill proposed to do. We have in the law a provision relating to wheat which was adopted in 1938, when we wrote a new wheat program. That provided for price supports ranging from 75 percent to 90 percent of parity. Someone was able to add an amendment to the bill which provided for a minimum national allotment and the Secretary of Agriculture is powerless to reduce the national allotment below 55 million acres. At that time wheat production was 13.3 bushels per acre. Today wheat production is 26.2 bushels per acre. We still grow it on a minimum acreage of 55 million acres.

The senior Senator from Louisiana desires to reduce that acreage and to tell the farmer, "If you accept price supports from your Government, you will be required to reduce your acreage so that the production can be kept in keeping with our needs."

What is wrong with that?

Mr. WILLIAMS of Delaware. I supported the Senator from Louisiana in that objective. In the preceding year, the offer that was made was not the same proposal as that made this year. Under the bill as passed by the Senate and defeated by the House when the farmers voted in the referendum—and I agree that if they are going to accept Government support, they must accept an element of Government control, and that applies to the farmer and to industry and to every other segment of our economy—but in this instance when the farmers voted, they would have a loaded gun placed at their head, because if they rejected the program as advocated by the administration, the farmers would be cut loose, and the Secretary of Agriculture would then be free, had he elected to do so, to dump the \$6 billion or \$8 billion worth of agricultural products on the market. That was not a fair choice.

Mr. ELLENDER. Again my good friend is ignorant of what is in the bill. The bill merely provided that if the farmers turned down the corn program, the Secretary of Agriculture had the right to dispose of as many as 10 million tons out of the 85 million tons of corn and other feed grains on hand at 102 percent of parity. Even at that rate it would take the Government about 6 to 7 years to get rid of all Government stocks. What is wrong with that?

Mr. WILLIAMS of Delaware. The Senator knows what is wrong with that. Ten million tons of corn dumped on the market could and would break it at any time offered.

Mr. ELLENDER. It has been a good many years now that we have been trying to get rid of the surpluses under the Benson program.

Mr. WILLIAMS of Delaware. The Secretary of Agriculture used his authority last year under the feed grain program to break the price of corn by 10 to 20 cents a bushel and did it deliberately.

Mr. ELLENDER. I deny that. The Senator cannot prove it.

Mr. WILLIAMS of Delaware. I ask unanimous consent to have placed in the RECORD at this point certain information on the market price on corn over the months of December of last year and January of this year. I will supply the figures later. These reports show how the Freeman program has been a bonanza to the grain dealers.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. First I offer a report which I prepared on this subject and delivered March 5, 1962, followed by a letter from the Department of Agriculture dated February 10, 1962.

The first report shows how the grain dealers reaped multimillion-dollar windfalls as the result of decisions made by Secretary Freeman.

The second report from the Department shows the decline in the price of corn by 6 cents per bushel in one 30-day period during heavy selling by the Government.

I point out that this decline came in a month when normally corn and feed grain prices rise. It declined even further over the longer period.

There being no objection, the report and letter, including the table, were ordered to be printed in the RECORD, as follows:

REPORT

Recently Secretary Freeman launched another program which will result in a multimillion-dollar windfall for the grain and feed dealers, and he attempts to justify this action with the pious hope that a part of the windfall profits will trickle down to the American poultry farmers.

He announced having negotiated lower rates with the southern railroads whereby he can now deliver corn to the feed dealers in the Southeastern States of Virginia, North Carolina, South Carolina, and Georgia at prices averaging between 10 and 15 cents below regular market price and below the price being paid by their competitors in the surrounding areas.

Only the larger grain dealers will get the cheaper price while smaller dealers buying single carloads will get some reduction but not as much.

The Robinson-Patman Act was enacted by Congress to prevent large companies from selling to customers in one area at prices cheaper than to others in competitive areas. Also, this law prohibits different prices to different size dealers in the same area when such differential results in a competitive advantage.

The Secretary of Agriculture apparently figures that his agency is above the law and that they can select the areas and the dealers who will get bargains from the Federal Government.

This recent action will have two major results:

First, it will give a definite competitive advantage to the poultrymen and the feed dealers in the favored States, who as a result of this decision will be able to buy the corn at prices below those available to dealers in competitive areas.

Second, sale of this corn at the reduced prices will break the local price of corn at farm levels in those States, thereby causing a substantial loss to the local corn producing farmers.

The Federal Government's program of subsidizing the production of broilers will encourage increased production of both poultry and livestock in those areas, with the result that a few months hence the poultry farmers will again be in the same situation that they were last year when the finished product was selling at less than cost of production.

Apparently Secretary Freeman wants to keep the poultry market in a demoralized condition in the hope that they will eventually be forced to appeal to the Government for aid.

The Department has already stated that they will be glad to support the price and control the production of poultry.

The officials of some of our electric companies were recently convicted of fixing prices and rigging markets, yet this is a far more serious action which the Secretary of Agriculture is now taking wherein he manipulates the markets in a selected area for the apparent purpose of forcing the farmers producing corn in those areas to put their next year's acreage under the Government's price support program and to force the poultry farmers to accept Government subsidies and controls.

Furthermore, the loss which the Government and the taxpayers will sustain on the corn being sold at these bargain prices will not necessarily accrue to the farmers producing poultry and livestock. If this were a general break in market prices nationally the effect of the lower prices would eventually be reflected in lower feed costs, but with the price of corn being reduced in one area alone it merely means that the dealers in those areas will get a definite competitive advantage. Corn already bought for future delivery will be diverted to other areas at the higher prices and replaced with cheap Government corn. The most of the savings thereon will merely result in wider margins of profits for the dealers since the retail prices of feed which in an integrated industry is reflected in the finished broiler, would be gaged by competitive prices in other areas.

Secretary Freeman's theory is that by making these large windfalls, resulting from the wider margins of profit available to the feed dealers of those areas, some of it may "trickle down" to the farmers growing these broilers.

This is not the first instance wherein decisions of Secretary Freeman have resulted in multimillion-dollar windfalls for grain dealers instead of profiting the farmers.

For example, last year the Secretary of Agriculture arbitrarily announced a 45 cents per bushel increase in the support price for the 1961 crop of soybeans. At the same time the Government greatly accelerated its export program of soybean oil with the result that the cash market on soybeans spectacularly rose nearly \$1 per bushel.

For years farmers had been producing soybeans and had considered this a profitable crop, selling their beans on the free market without the need for any Government supports.

Already the higher support price of soybeans as announced last year has resulted in a 25-percent increase in the 1961 crop. Much of this increased production is going under Government supports, and warehouses are beginning to bulge with heavy inventories of Government-owned soybeans.

The New Frontier bureaucrats are now starting to advocate controls over production and getting ready to shed crocodile tears over the plight of the soybean farmers.

Last year's announced raise in the support price of soybeans, followed by the accelerated export sales, took place in the spring of 1961 long after most of the farmers producing these soybeans had sold their 1960 crops. The bulk of the beans was then in the hands of the dealers, and it was the warehousemen and speculators who capitalized on this multimillion-dollar windfall resulting from the Agriculture Department's actions.

Many grain dealers who had large inventories of these soybeans made millions thereon following Secretary Freeman's decision to raise the 1961 support price.

Also, last year the Secretary made another decision which resulted in a multimillion-dollar windfall to a group of grain dealers who were storing the Government's inventories of durum wheat.

Last year there was a severe drought in the durum wheat producing areas. This drought which resulted in a sharp reduction in the 1961 production of durum wheat was certainly known to the Department of Agriculture. It was that agency which was surveying the area to determine the need for disaster aid for the farmers.

The Department of Agriculture had in its inventories around 5 million bushels of durum wheat which it had obtained under the price support program of earlier years. Notwithstanding this advance knowledge of a short crop they sold all of their durum wheat holdings on the eve of the price rise which approximated \$1 per bushel. Practically all of these bargain sales were made to the warehousemen and grain dealers in the area.

Again the farmers did not benefit on this multimillion-dollar windfall. Not only did the Department of Agriculture sell this wheat on the eve of its substantial market rise (which anyone could have recognized as inevitable in view of the drastic crop failure) but also in many instances they sold it to those grain dealers at prices below the prevailing market price.

Both in the case of the sale of durum wheat at bargain prices and in the case of the arbitrary announcement raising the support price of soybeans last year the farmers did not reap the benefit of the multimillion-dollar windfalls.

Just as in the case of his action of a couple of weeks ago of announcing a program to sell corn at reduced prices in the southeastern States, practically all of the multimillion-dollar windfall profits went to the grain and feed dealers.

Let there be any misunderstanding, I am not indicting the grain and feed dealers of America, but I am saying that they do not

need these multimillion-dollar windfalls being passed out so freely by the Secretary of Agriculture.

For 25 years prior to my coming to Washington I was a grain and feed dealer, and I am still associated with the industry and proud of that connection; and it is based upon my experience as a grain and feed dealer that I charge that these three decisions of Secretary Freeman were not in the best interests of the American farmers.

In fact, some of the New Frontier decisions of Secretary Freeman are so obviously resulting in wider profits for the grain dealers that Kennedy's new farm program, which he describes as the A-B-C-D program of agriculture, is becoming a standard joke in the grain trade. They are laughingly referring to this A-B-C-D as standing for Always Bigger Commissions for Dealers.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 15, 1962.

HON. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: This is in further reply to your letter of January 26, 1962, in which you requested data concerning Commodity Credit Corporation sales of corn.

Dollar values of corn sales are not summarized by weeks in CCC records. The report of CCC financial condition and operations for December 1960 shows a total disposition of 9,874,000 bushels of which 8,226,000 were sold domestically for \$7,131,000 or an average price of 86.7 cents per bushel. In January 1961 the total dispositions amounted to 8,561,000 bushels of which 4,726,000 bushels were sold domestically for \$4,013,000 or an average price of 84.9 cents per bushel. The balance of the dispositions during these 2 months were to title I, title II, barter, payment-in-kind programs, transfers to other Government agencies and donations and the dollar proceeds for this corn ranged from full reimbursement for title II to no proceeds for the donations. A considerable amount of the domestic sales for these 2 months was of "out of condition" corn or corn in danger of deterioration which may account for the low average per bushel proceeds.

The data for December 1961 and January 1962 are operating figures and therefore must be considered as approximate. During this period sales and values are reported weekly only for the feed grain program certificate pool. The data given below consists of the weekly certificate pool sales and the total CCC dispositions.

terminated by the Secretary of Agriculture.

Mr. ELLENDER. Yes; but that level is fixed in the law at 65 percent, or 90 percent of the average of the last 3 years, which amounts to about \$1.06. A good many farmers in America can make a great deal of money by doing that. All that the Senate did was to say to the farmers who produce the grain, of which we have more than we can use—as a matter of fact, we have today about \$3 billion worth of it, and it is going to keep on increasing—that we want to cut that production.

Mr. WILLIAMS of Delaware. I will join the Senator in lowering that 65 percent provision. Will he sponsor such a proposal with me? In that way we will eliminate the overproduction, cut down storage costs, and cut down the overall cost of the program. Will the Senator join me in this proposal to cut down, so the Secretary would not have to pay for these profitable operations?

Mr. ELLENDER. I believe the Senator from Delaware has been in the grain business all his life, has he not? Is not that the Senator's main business? I am not trying to cast any reflection upon the Senator.

Mr. WILLIAMS of Delaware. Yes, I have been in business. I am proud of my record of proper ability to meet a payroll. It is good experience and I only wish there were more of it in Washington.

Mr. ELLENDER. The Senator understands that business. He is in the chicken business. There has been much misrepresentation made about the farm bill. The leaders of the opposition—I shall not name them—fail to point out that the large amounts of feed grains and wheat which are now on hand will continue to increase. Our requirements of wheat for export as well as domestic use are about 1.2 billion bushels. As the law now stands, farmers are permitted to plant 55 million acres, which produces about 1,350 million bushels of wheat. So we have been adding and are continuing to add about one to two hundred million bushels in addition to the amount which is on hand. Actually, as I pointed out on the Senate floor, the surplus of wheat now on hand is sufficient to take care of our needs for more than a year. Why the Senator from Delaware desires to have a law which would permit farmers to grow more wheat which would fill the bins higher at Government expense, I cannot understand.

Mr. WILLIAMS of Delaware. I have never said anything of the kind. If the storage bins have continued to be filled, they have continued to be filled because the Senator from Louisiana and his followers continue to insist upon higher support prices, which makes it profitable for farmers to continuously increase their production.

If the Senator from Louisiana will join with me in an effort to roll back the artificially high support prices for farmers as well as for other segments of industry, we can make progress. Let us roll back the support price of wheat,

Week ending—	Certificate pool sales			Total CCC dispositions (bushels)
	Bushels	Proceeds	Average per bushel proceeds	
Dec. 1, 1961.....	27,180,764	\$27,920,390	\$1.027	27,800,132
Dec. 8, 1961.....	54,261,219	53,734,390	.990	61,754,219
Dec. 15, 1961.....	47,635,256	46,977,147	.986	49,663,585
Dec. 22, 1961.....	32,861,454	31,987,048	.973	33,305,329
Dec. 29, 1961.....	29,666,457	28,877,470	.973	29,691,872
Jan. 5, 1962.....	20,336,657	19,826,185	.974	29,023,363
Jan. 12, 1962.....	40,364,573	38,508,940	.954	53,661,988
Jan. 19, 1962.....	34,664,256	33,793,626	.975	44,680,975
Jan. 26, 1962.....	25,386,121	24,559,399	.967	30,837,228

The difference in the certificate pool sales and the total dispositions consists of corn for the various programs mentioned above, except that domestic sales for "out of condition" corn were not included in certificate pool sales after January 1, 1962.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

Mr. WILLIAMS of Delaware. If the Senator from Louisiana will check his statistics he will find that there was a reduction in feed grain prices as the result of Department selling. That is an established fact.

Mr. ELLENDER. The Senator must not forget that a great deal of the corn that found its way on the market was corn that could not be put in storage because of the fact that it contained so much moisture. The Senator knows that that has the effect of raising or lowering the price support.

Mr. WILLIAMS of Delaware. I have been connected with the grain business as long as the Senator from Louisiana has been a Member of the Senate. I know salable corn when I see it. It has come to the Delmarva Peninsula, and it is grade No. 3 or grade No. 4 corn, which is suitable for feed purposes. Likewise, a great deal of No. 2 corn—and we have the certificates in the office to prove it—have been sold; much of this cheap corn went to the brewery in Philadelphia at the subsidized price.

There is a great deal of talk about the fact that the Department of Agriculture was taking under loan corn which could not be put in storage. Why was he doing that in the first place? The act calls for the delivery of good corn. That is only an excuse to break the market price.

Mr. ELLENDER. The Senator knows about the rules and regulations which permit the storing of corn purchased by the Government which contains a certain amount of moisture. That moisture content must not be more than 14 percent. If it is above that the Secretary of Agriculture cannot, under the rules and regulations, offer price support for it. The Senator knows that.

Mr. WILLIAMS of Delaware. Of course, but what the Senator from Louisiana has forgotten is that we have dryers in this country, in which we can cut a 17 percent moisture down to the required 14 percent moisture, in order to have the corn of storage grade.

Mr. ELLENDER. The Senator from Delaware is a great economizer, as my friend, the senior Senator from Oregon [Mr. MORSE] has said. The defeat of the farm program by the House simply means that the producers of corn, sorghum, and other feed grains, will now be able to produce all they desire, with price supports, and with no acreage controls.

Mr. WILLIAMS of Delaware. With price supports set at a level to be de-

corn, cotton, rice, all of them. I recognize we cannot stop this overnight but we can make a start in the right direction and cut these subsidies down to a realistic level. I have always opposed these high subsidies for the farmers, the shipping industry, the mining industry, or any other segment of industry. I have supported that position on all those subsidies. When any segment of industry asks the Federal Government to underwrite a part of its responsibility, that segment should first lose a little of its own money before it receives benefits from the Government. That goes for the farm program, as well.

The Federal Government should never be asked to underwrite a profit for any segment of a free enterprise system.

If we continue to keep a high support price so that it will continue to be profitable to increase production—and the bill raised the support prices even further—it will be necessary to accompany it with an element of controls, which I do not believe will be accepted by the farmers of America. The 90-percent support price may have been justified during the war, when increased production was desired. The country then needed increased production of farm commodities. Had I been in Congress, I would have supported such a program at that time. But when the war ended, the high support program should have been stopped. As the Senator from Louisiana well knows, the 90-percent support price was extended on a 1-year basis or a 2-year basis, until now there is a 6 or 8 billion surplus inventory.

I made a statement on the floor of the Senate in 1948 that if there was insistence upon a continuation of high 90-percent support prices, then in a matter of a few years there would be an accumulation of surpluses to the extent that the support price would in effect become the ceiling price. That has happened under laws which the Senator from Louisiana has supported and the Kennedy-Freeman "monstrosity" would only have made it worse.

Mr. ELLENDER. I am not surprised at the Senator's ignorance. The Senator knows that only a few years ago the support price on cotton and on rice was reduced from 75 to 90 percent of parity to 65 to 90 percent of parity. Those two programs are working well today. We tried to do something for wheat, but could not make any progress in that direction.

Mr. WILLIAMS of Delaware. Mr. President, first the Senator from Louisiana refers to my ignorance. I accept that coming from him, because I know of no Member of the Senate who is more qualified to recognize "ignorance" than the Senator from Louisiana.

But I say to the Senator from Louisiana that when he boasts that the cotton and rice subsidies have cost the taxpayers nothing, he is wrong. Cotton is out of trouble only because the Government is subsidizing the export of cotton. It does not make any difference to the taxpayers whether the cost of this sub-

sidy is charged to the farm program or to Public Law 480 foreign aid. If the taxpayers are subsidizing its operations, then the taxpayers are the ones who pay. The same thing is true of rice and sugar.

The policy of supporting at artificially high prices all agriculture commodities is costing the taxpayers large sums of money, and the Kennedy farm bill did not get to the heart of the problem. It will not be possible to get to the heart of the problem by increasing the subsidy rates, as the bill provided. I do not think the American farmers would ever have accepted the straitjacket of controls in the program.

Speaking of rice, the Senator from Louisiana knows—and I pointed this out earlier—that one of the largest producers of rice in the area close to the State of the Senator from Louisiana is a company which is owned by a British corporation. The taxpayers of the United States were subsidizing that company's operations. In 1 year they received \$20,761.20 in soil bank payments and then received another \$1,167,502.81 in price support loans. That is not protecting the American family farm when a foreign corporation which produces rice and cotton in this country is subsidized by this Government to that extent. If there is to be a farm program, let us make certain that the benefits will be received by the bona fide farmer. The absentee ownership by doctors, lawyers, Senators, corporations, banks, and penitentiaries, and airports is certainly, by no stretch of the imagination, supposed to be classified as family farms. I ask the Senator from Louisiana how could the Ford Motor Co. or the largest bank in Illinois or the Louisiana State Penitentiary ever be classified as family farms?

Mr. ELLENDER. Of course, the Senator from Delaware knows better than that. As an honorable member of our committee, on which he served for a long time, the Senator from Delaware knows that on two occasions the committee tried to rectify the situation so far as wheat was concerned. The Senate passed a bill whereby the minimum acreage would be reduced from 55 million to 42 million.

Mr. WILLIAMS of Delaware. I supported that objective.

Mr. ELLENDER. Yes. So that provision would be in keeping with our demands. But what happened? The President in the previous administration vetoed it. A year later Congress passed another law having the same objectives. In that instance, Secretary Benson intervened in the House and persuaded the House to refuse to adopt the conference report. That was agreed to.

I have nothing against wheat growers, but it strikes me that we ought to be realistic. What the Senate did the other day—and I am proud that we did it—was to make it possible to provide a reasonable price support for the producers of corn and other feed grains, and of wheat, as well, while at the same time curtailing production in keeping with the requirements. That is all we sought to do,

and that is all the bill provides. I might add that in 1952 the price support level for corn was \$1.60, for grain sorghums \$1.33 and for wheat \$2.20 per bushel. In 1960, however, the price support level for corn had dropped to \$1.06, for grain sorghum to 85 cents, and for wheat to \$1.78 per bushel. But what happened to Government stocks? Well, CCC holdings of corn increased from 513.8 million bushels to 1,927.3 million bushels, grain sorghum increased from 3 million to 716.7 million bushels, and wheat holdings increased from 514.4 million to 1,368.1 million bushels. And that is the kind of program that we will go back to if the new Senate farm bill is not accepted. To me this is the height of fiscal irresponsibility.

Mr. WILLIAMS of Delaware. I do not wish to prolong the discussion with the Senator from Louisiana. However, I repeat, I supported the cutback in production when the high supports were extended. I said that if the farmers or any other segment of industry were to accept high price supports from the Government, they should have to accept some allotments and controls. The reason why the President vetoed the bill was that after the committee reported the bill it had got out of hand. It ended by authorizing the continuation of the 90-percent support prices, which the President thought were not justified and he did veto it. He was right in that veto. My point is that these excessive high support prices do not look any sounder on the New Frontier.

Such programs have been too expensive in the past and they would be equally or even more expensive under the repudiated Kennedy-Freeman proposal.

THE MAJORITY HAS RIGHTS

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Richmond News Leader of Friday, June 22, 1962, relating to an opinion of the Supreme Court of Florida of June 6 dealing with the rights of the majority of the people of this Nation to publicly recognize the fact that we have a form of Government based upon the teachings of the Bible. In the words of the evangelist, Billy Graham:

This generation must face the fact that it is either back to the Bible or back to the jungle.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOUTHFUL FROM FLORIDA

The Supreme Court of Florida delivered itself on June 6 of one of the most refreshing judicial opinions to come our way in many months. Its author is Justice Millard F. Caldwell, onetime Governor and former National Director of Civil Defense, who joined the Florida court in February. Excerpts from the opinion appear below.

The case at bar was one of those high-flown forays into constitutional law beloved of civil libertarians. An agnostic, a Jew, and a Unitarian in Miami sought to enjoin all religious activities in the Dade County

public schools. They especially objected to a Florida statute that requires the daily reading of a brief passage from the Bible, but they also wanted to put an end to the occasional singing of hymns in music classes, the painting of pictures on religious themes, the decoration of schoolrooms at Christmas-time, the saying of grace or other prayers at school functions, and the holding of baccalaureate ceremonies at commencement. In brief, they wanted to wipe out every vestige of religious affirmation in the public school system, even though the Florida law specifically excuses those children who do not wish to listen to the Bible verse or to participate in other activities of a religious nature.

The plaintiffs' contention was that the very act of excusing certain children at their parents' request tends to single out these children and to discriminate against them. This affects their minds and hearts, it was argued, in a manner unlikely ever to be undone. It puts them through a "traumatic experience," and bruises their little psyches. Justice Caldwell's tart dismissal of this line of argument carries the bell-like ring of commonsense. The constitutional prohibition against State support of an "establishment of religion," he says, never on earth was intended to obliterate all references to divine power from public activities in which the State has a part. In a part of his opinion not quoted below, he noted that Congress itself has—

Provided chaplains for both Houses of Congress, who daily invoke divine blessings.

Commissioned chaplains in the Armed Forces.

Approved Bible reading and the recital of the Lord's Prayer in opening activities of the District of Columbia's public schools.

Required compulsory chapel attendance on the part of cadets at the service academies.

Authorized the flying of the church flag above the national flag during services at sea by Navy chaplains.

Required the President, Members of Congress, and Federal judges to subscribe to an oath invoking the aid of the Deity.

Inscribed "In God We Trust" upon the Nation's currency.

Designated a national anthem which proclaims the Deity.

Sanctioned the bailiff's traditional "God save this honorable court" as Federal courts are opened daily.

In the light of all this, as the Florida court pointed out, it is absurd to urge an interpretation of the Constitution by which all religious feeling would be expunged from the schools. An objecting minority of parents have rights that must be respected; they cannot be compelled to engage in religious activities offensive to them. But the majority of parents and taxpayers have rights as well, and it is time to rid ourselves of the notion that in every case, in the name of some frivolous assertion of "liberty," a minority tail has the right to wag the majority dog.

MAJORITY HAS RIGHTS, TOO—FLORIDA COURT BLASTS MINORITY DEMANDS

(On June 6, the Supreme Court of Florida handed down a unanimous opinion, strongly upholding the right of the State's public school to offer certain religious instruction, so long as such instruction is not compulsory. Excerpts follow from the opinion by Associate Justice Millard F. Caldwell, a former Florida Governor.)

In this case the basic facts are that Florida statute, section 231.09, requires the daily reading of the Bible without sectarian comment. Moreover, the record shows that by appropriate regulation the Dade County Board of Public Instruction requires that

pupils be excused from attendance upon request by the parents or guardians.

Our problem is to determine whether the practices complained of violate the constitutional safeguards. If the facts constitute an "establishment" of religion or restriction of the free exercise thereof it must be because there is compulsion. If the pupils are compelled to attend upon the practices cited, or if their free exercise of religion is otherwise circumscribed, then we must conclude there is a violation of the "establishment" and "free exercise" safeguards.

We think it necessary that, unless otherwise clearly commanded by the plain language of the statutes or the Constitution, the courts refrain from purely philosophical invasion of the Constitution or long established and accepted customs of the vast majority of the American people. The recurrent whittling away of the bedrock foundations of our society can be nothing short of destructive of free government. Every doubtful judicial withdrawal of the sovereignty of the States or the traditional freedoms of the people weakens the fabric of the Nation and the confidence of its citizens. If the Constitution be wrong it should be corrected by amendment and not judicial usurpation.

It is of interest here that the U.S. Supreme Court decision in the *Zorach* case (342 U.S. 306) makes it clear that the first amendment does not say there must be in every and all respects a separation of church and state. Rather the first amendment defines the manner and specific way in which there shall be no concert, or union, or dependency, one on the other. The Court held that to be "the commonsense of the matter" and that otherwise the state and religion would be aliens to each other—hostile, suspicious, and even unfriendly; that prayers in our legislative halls; appeals to the Almighty by the chief executives; the words "So help me God" in our courtroom oaths; the supplication with which the Supreme Court of the United States opens each session, "God save the United States and this honorable Court," could be held objectionable.

In the light of this reasoning in the *Zorach* case the Court held that the public schools of New York City, upon written request of the parents, were permitted to release, during the schoolday, those students who wished to attend religious exercises held outside the school building. The Court found that it was proper that the school board assemble the students upon school property and, during the schoolday, excuse them from attendance upon classes of regular and secular instruction by teachers and in classrooms provided at public expense. The time of the teachers and the use of the classrooms, the utilities and conveniences, made available at public expense, were not, in the absence of such released students, put to use; [these] represented, in actual fact, albeit by indirection, public tax funds expended in aid of religion. But the infringement was thought by the Court to be inconsequential and therefore permitted under the Constitution.

In principle there is no substantial difference between the excusing of the *Zorach* students who wished to attend religious exercises elsewhere and the excusing of the Dade County students who do not wish to hear the Bible read in school. And, in substance, there is no difference in principle between the 3 and 5 minutes' use of Dade County public school facilities for the reading of the Bible to those who wish to hear it and the nonuse, during school hours, of such facilities in *Zorach* while those who wish religious instruction elsewhere are excused from the premises. To beg the question between the facts in *Zorach* and the instant case is to engage in cynical trivialities.

It does not appear by the pleadings and testimony that there is any serious contention that the children of the plaintiffs have suffered or will suffer any measurable psychological trauma as a consequence of the reading of the Bible, either in or out of their presence. Rather, it seems that this is just another case in which the tender sensibilities of certain minorities are sought to be protected against the allegedly harsh laws and customs enacted and established by the more rugged pioneers of the Nation.

In the instant case we are told that the primary objects of solicitude are the children of the plaintiffs, atheists, Unitarians, and Jews, which children, although not required to be present at the time, will, so it is said, suffer some supposedly irreparable emotional stress if their classmates are permitted to hear the Bible read. It seems more likely that the children in question are the unwitting victims of a quasi-political contest.

The plaintiffs assume, inferentially at least, that minorities enjoy a peculiar susceptibility to psychological and emotional trauma and compulsions and are entitled to some peculiar and fatherly protection against the strange ways of the ordinary American citizen. But such is not the case. The minority is entitled to enjoy the same privileges and the same justice as are enjoyed by people generally as an inherent right. The minority and the majority are both denied the privilege of disrupting the lives of others because of some hypersensitivity or fractious temperament.

To say that the vast majority of students in the Dade County public school system are to be foreclosed of the privilege of living a few moments each day with the words of the Bible, the greatest of all literature, or of observing in the classroom, if such were possible, the magnificent painting of the "Last Supper," or of listening to Caruso's recording of "Adeste Fideles," because a minority might suffer some imagined and nebulous confusion, is to approach the ridiculous.

We believe it necessary that public education give due recognition to the place of religion and the culture and convictions of our people but that in doing so the principle of separation of church and state must be safeguarded. The road is a difficult one but, certainly, we cannot agree that banishing the Bible and music and paintings of religious connotation will benefit the plaintiff's children in any material way. We are of the opinion that erasing the influence of the best literature, music, and art and gentler aspects of American life in general would be to create an antireligious attitude in the schools and substantially injure the well-being of the majority of the schoolchildren. And although it may be urged that to take such drastic action is to incur the good will of the Nation's enemy we think the cost too great and the proposal ill founded in law.

We are sensible of the extent to which the sophistries of agnosticism have gained credence. And we acknowledge the trend toward the preference of minorities over the majority and toward the requiring of the majority, which seem never to suffer psychological trauma, to yield up its cherished customs and rights. Although we concede the duty to turn the other cheek to the enemy and to deal gently with the weak, we do not agree that it is our function to subvert the purpose and intent of the Constitution to those ends, nor do we feel impelled to indulge in flights of fanciful philosophy. When we subscribed to our official oaths it was with "no mental reservations and with no purpose to construe the Constitution by any hypercritical rules."

For all practical purposes there are now in the world just two forms of government,

loosely denominated democracy and communism. The vital difference between the two is that the democracies accept religion and guarantee its free exercise, in one form or another, as part of the day-to-day lives of their people, whereas communism has banished religion, except as it may be bootlegged in the dark and inhospitable corners. A consequential distinction, as the major difference is applied to these United States, is that here we prohibit the governmental establishment of religion but guarantee to all the free exercise thereof while, under communism, religion is denied and those who profess religion are hounded underground.

We feel it equally imperative that we preserve the safeguards of the Constitution against all violations of the "establishment" and "free exercise" clauses and, at the same time, preserve those clauses and the rights of the States and the people thereunder against weasel-worded constructions and distinctions designed to impute to them either more or less than was originally intended.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. HOLLAND. I appreciate the thoughtfulness of the Senator from Virginia in placing this in the Record. It is the opinion of a former Member of Congress who served in the other body with the able Senator from Virginia.

Mr. ROBERTSON. I served with Representative Caldwell, a distinguished former Member of the House and a distinguished former Governor of Florida. I was particularly struck by the editorial because of its reference to an opinion written by Justice Caldwell, which I think is excellent.

Mr. HOLLAND. I thank the Senator. Justice Caldwell is a very dear friend of mine and a highly respected citizen of our State and of the Nation. He has indicated in the opinion that he is one who will uphold the bulwarks of both our government and our society in a way of which we may all be proud.

I appreciate the courtesy of the Senator from Virginia in mentioning our former Governor, our former Congressman, and our former National Civil Defense Administrator, who now is a member of the Supreme Court of the State of Florida.

Mr. ROBERTSON. And I shall be very glad to support him for the next vacancy on the U.S. Supreme Court, which needs some views of this character.

Mr. HOLLAND. I thank the distinguished Senator from Virginia, and I agree implicitly with him.

REGULATION OF EXPORTS

The Senate resumed the consideration of the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes.

Mr. JAVITS. Mr. President, today we are dealing with the Export Control Act. In connection with that issue, which I am glad to see us take up for I consider it of great importance, I wish to call attention to the fact that one of the most important and vital aspects of the entire situation is the need to amend the Antidumping Act of 1921, in order to deal with the politically

motivated trading policies of the Communist bloc.

Let me point out that the Export Control Act deals, not with fundamental economics, but with Government controls over fundamental economics. The antidumping law does deal with fundamental economics; however, its current definition of "dumping" does not take into consideration the pricing policies of the Soviet bloc state trading organization. Hence, in this connection, the Communist bloc countries can shape that situation in exactly the way they want it.

In addition, the present definition of "dumping" fails to show up what obviously is true, namely, that the Soviet bloc is victimizing its own satellite nations by overcharging them for the goods it sells them—and of even greater importance—by discriminating against them in the most blatant way, in that it charges them much more for what it sells to them, as against its charges for the same commodities to other countries.

Mr. President, on May 10, I introduced in the Senate four measures designed to provide a basis for free world cooperation in trade practices with the Communist bloc. These measures—one of which is incorporated in the bill before us today—would provide a beginning to a solution of the increasingly dangerous problem of Communist trade penetration. A start must be made, lest free world nations grow heavily dependent on trade with the Communists and, thus, vulnerable to the political and economic machinations of the Kremlin, and lest free world markets be exposed to disruption.

Another one of the four measures which I introduced is S. 3284. It would amend the Antidumping Act of 1921 in order to focus on the politically motivated pricing policies of the Communist bloc. It would define as "dumping" the sale of goods by state-controlled trading organizations at prices lower than the prices charged to other countries, or lower than free world market prices. Furthermore, it would broaden the definition of injured parties from such "dumping," in order to include industries of friendly nations—not U.S. industries alone. Therefore, the sanctions of the Antidumping Act could be invoked if cutrate sales by the Communist bloc threatened to destroy the U.S. market for the products of free world nations.

The effect of the redefinition of "dumping" would be twofold: First, it would set some realistic standards by which the free world could judge the pricing of Communist bloc exports and it would highlight the overcharging engaged in by the Soviet Union in its exports to its satellite nations. For instance, in 1960, the U.S.S.R. charged the captive satellite nations prices which averaged 31.8 percent higher than prices for similar items exported to Western Europe. Especially glaring was the price differential—88 percent higher prices for the satellites—in crude oil which the Soviet Union has been using as an increasingly threatening instrument for

economic disruption in the free world, most recently in Ceylon.

Second, the use of such a definition of dumping for free world imports from the Communist bloc would tend to ease the heavy discrimination of the Soviet Union against its captive nations by making U.S.S.R. sales to the West dependent on the prices charged to its satellites. Thus, some of the exploitation of the satellites may have to cease, enabling them to gain strength in their own right. Furthermore, the Soviet Union would be less able to make up its losses from sales to the West by overcharging its helpless captives.

Of course, it is essential that other free world nations, especially those with which the United States has defense treaties, such as the NATO, CENTO, SEATO and Rio Pact members, adopt similar antidumping statutes. But we can hardly ask others to do so before we have taken this action ourselves. We must lead in this as in other matters of East-West trade policy unification.

Mr. President, the effect of such a policy on imports from the Communist bloc is made clear by an analysis of Soviet prices in intrabloc trade which was published by the Assembly of Captive European Nations in April of 1962. I ask unanimous consent to have excerpts from this analysis inserted in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, the calculations presented by Mr. A. Kutt, of the Assembly of Captive European Nations, have been a matter of public discussion over the past 3 years.

The first analyst to investigate this problem was an economist of the Rand Corp., Dr. Horst Mendershausen, in the Review of Economics and Statistics—Harvard—May 1959. Since then, the discussion has been gaining in momentum.

The evidence submitted in this and previous reports, through the comparison of prices—more accurately, unit values—in Russia's intrabloc commodity transactions with its trade in the world market, has not to date been challenged by the competent authorities in the U.S.S.R. While the evidence is for the most part indirect and incomplete, it nevertheless adds up to a convincing case of Soviet price discrimination against its weaker trade partners within the Communist alliance.

Given the nature of the East European political leadership, it is unlikely that the available statistical evidence will be confirmed anytime in the near future by the victims of this particular bit of commercial exploitation. The Yugoslav Government did complain of extreme price discrimination at the hands of the U.S.S.R. after their political break in June 1948.

The Soviet Union enjoys a position of preponderant power within the Communist bloc, and has never shown any hesitation to use its advantage, either in the economic or political sphere, to the hilt. Over the years, it has encouraged

the satellites to build up large units of heavy industry, almost entirely on the basis of Soviet raw materials, such as: crude oil, coal, coke, petroleum products, iron ore, manganese ore, chrome ore, raw cotton, steel sheets and plates, and so forth. As a result, the satellite nations are dependent to the extent of some 80 to 100 percent on Soviet imports in these spheres of production.

The unequal position of the satellite nations relative to the U.S.S.R. in the degree of dependence on each other's trade may be seen from figures which I ask unanimous consent to have inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Satellite dependence on Soviet trade	Soviet dependence on satellite trade
	Percent	Percent
Bulgaria.....	55	6
Czechoslovakia.....	36	11
East Germany.....	47	17
Hungary.....	31	5
Poland.....	31	8
Rumania.....	48	5

Mr. JAVITS. According to frequently repeated official statements, the Soviet bloc countries trade among themselves on the basis of world—that is, capitalist—prices. The internal price systems of the Communist countries are too arbitrary and inconsistent to be useful for commodity exchanges across the frontier. However, these world prices are, according to official explanations, adjusted, by some unknown authority within the bloc, to exclude the influence of capitalist speculative practices. This adjustment, presumably made by the Soviet Ministry of Foreign Trade, opens wide the door to arbitrary action on the part of the stronger partner in the intrabloc exchanges. The results of such discriminatory action are probably reflected only in part in the published statistical returns of the U.S.S.R., analyzed by Mr. Kutt, thus making his analysis a conservative estimate of Soviet exploitation of its captive satellite nations.

Mr. President, before inserting excerpts from this analysis, I should like to express the hope that the amendments to the Antidumping Act embodied in S. 3284 will receive serious and early consideration from the Congress and from the executive departments and agencies concerned. It is my understanding that the Senate Committee on Finance has requested reports on this bill from the Departments of State, Treasury, and Commerce, and from the Bureau of the Budget and the Tariff Commission.

I hope that these reports can be submitted at the earliest possible time so that hearings may be held after the Committee on Finance completes its work on the priority legislation still before it.

I know the Finance Committee is very busy; but this measure could be disposed of after a brief hearing, and it is a measure of great importance to the Nation—

at least as important in economic terms, in my judgment, as the bill the Senate is considering today.

EXHIBIT 1

EXCERPTS FROM SOVIET-CAPTIVE NATIONS TRADE IN 1960

(The 1955-60 balance sheet report by Aleksander Kutt (Estonia), Chairman of the Economic Committee)

Withheld from sale in the West until December 1961, the 1960 Yearbook of the U.S.S.R. Ministry of Foreign Trade contains the latest Soviet statistics available on the exchange of goods between the Soviet Union and the captive European nations. These statistics disclose that the captive European countries incurred in 1960 their heaviest annual loss from Soviet price discrimination in bilateral trade since the U.S.S.R. began releasing pertinent statistics in 1955.

The Soviet Union engaged in price discrimination against the captive European nations, which incurred a total loss from Soviet overcharges on exports and underpayments for imports of an estimated \$1,578 million in 1960. As we can see, unrealistic prices in Soviet-East Europe trade disguise the fact that the Soviet Union in 1960 was a net importer instead of a net exporter and that it therefore continued to drain rather than contribute positively to the economies of the captive European nations.

Because the 1960 yearbook discloses prices and quantities of individual commodities imported from and exported to each nation, it's possible to compare average prices of goods in Soviet trade with East Europe with the average prices of goods in Soviet trade with West Europe. In this way, some measure may be taken of the magnitude of Soviet price discrimination against its East European trading "partners."

PRICE DISCRIMINATION IN EXPORTS

Out of the 51 commodities for which Soviet exports to East Europe can be compared in physical specifications with those to West Europe, the average prices charged to the captive nations were higher in 41 cases. In 10 cases, as table 1 shows, the Soviets charged the captive nations less. Altogether, these 51 commodities account for 58.9 percent of the total value of Soviet exports to the captive European nations and represent as a sample the largest possible coverage.

Amounting to 413.9 million rubles, Soviet overcharges on exports in this sample wipe out entirely the advantage of 14.6 million rubles accruing to the captive nations in the 10 cases of undercharge. The net loss amounts to 399.3 million rubles, or \$443.6 million at the new official rate of exchange.

Obviously, the differential between what the Soviet Union makes on overcharges and the relatively small losses it incurs on undercharges is due to more than just the simple fact that the Soviet Union overcharged in four times as many cases as it undercharged. As table 1 shows, overcharges are 30 times greater in total value than undercharges.

For one thing, the commodities in which overcharges occur are items in which trade is heaviest (with the exception of iron ore, a major Soviet export that is underpriced in the East Europe market). Among the 41 commodities with excessive prices, the average export figure comes to 36 million rubles. This compares with an average of only 17.8 million rubles among underpriced commodities (including, of course, iron ore, for which the figure is 153.7 million rubles).

Beyond that, the Soviet Union marks prices up with more zeal than it reduces them. The captive nations paid an average of 38 percent more than West European buyers on the items overcharged in East

Europe, but received an advantage averaging only 7.6 percent on the 10 items for which they were undercharged in the sample.

Soviet profits from overcharging in 1960 were highest in rolled ferrous metals, with this commodity netting—in overcharges alone—99.7 million rubles. Next in rank came crude oil, with overcharges amounting to 57.8 million rubles, followed by cotton fiber (48.3 million rubles), coal (43.9 million rubles), and wheat (41.4 million rubles).

With some commodities, the Soviet Union expanded the price gap between exports to West Europe and East Europe. In 1959, Soviet crude oil cost the captive countries an average of 59 percent more than it cost the West Europeans; in 1960, the overcharge rose to 88 percent. Overcharge on gasoline jumped from 8 percent to 36 percent, on diesel oil from 25 percent to 41 percent, on coal from 42 percent to 77 percent, and on coke from 55 percent to 66 percent.

On other commodities, the price gap narrowed, as the Soviet Union reduced its average overcharge rates on pig iron from 56 percent to 39 percent, on rolled ferrous metals from 66 percent to 53 percent, on sawn lumber from 33 percent to 20 percent, and on cotton fiber from 34 percent to 30 percent. In two important commodities, there was virtually no change, with the overcharge on wheat (17.6 percent) remaining approximately at the 1959 level (17.7 percent) and the undercharge on iron ore (6.8 percent) doing the same (1959 level—6.5 percent).

On balance, Soviet price discrimination against the captive European countries is expanding rather than diminishing. As table 3 shows, Soviet price discrimination on exports increased from an average of 29.3 percent in 1959 to 31.8 percent in 1960 and on imports from an average of 13.3 percent in 1959 to 22.6 percent in 1960. In terms of value, calculated for the entire trade with the captive nations on the basis of the samples in tables 1 and 2, the Soviet Union increased its price discrimination profits from \$1,055 million in 1959 to \$1,578 million in 1960—the largest annual increment since the Soviet Union began making the statistics available 7 years ago.

PRICE DISCRIMINATION IN IMPORTS

In analysis of Soviet price discrimination on imports from the captive European nations, the sample of commodities is restricted to 24 items that constituted 10.1 percent of total Soviet imports from these nations. The main reason the sample for imports is smaller than the sample for exports is that the types of machinery and equipment purchased by the Soviet Union from East Europe cannot be compared with the types imported from West Europe; and machinery and equipment imports constituted 43 percent of Soviet purchases from the captive nations in 1960.

Of course, there is no reason to assume that the Soviet Union was more lenient in pricing goods unsuitable for comparison. On the contrary, they might have tended to be less lenient in these cases. At any rate, the only recourse is to study price discrimination in the 24 items available for analysis and extrapolate from there.

For eight commodities, the Soviet Union actually paid the captive nations higher prices than it paid for comparable imports from West Europe. This amounted to a Soviet overpayment of 8.84 million rubles.

In the 16 other cases, however, the Soviet Union underpaid the captive European nations for a total Soviet gain through price discrimination on these products of 83.69 million rubles.

Thus, the captive European nations suffered a net loss of 74.8 million rubles on goods in this sample exported to the Soviet Union.

As might be expected after analysis of Soviet price discrimination on exports, average value (11.9 million rubles) for the 16 imported commodities on which the Soviet Union made underpayments exceeded the average value (8.1 million rubles) of overpaid goods, with underpayment averaging 43.8 percent and overpayment only 13.7 percent in relation to prices paid to the captive European countries.

As table 3 shows, price discrimination on imports from captive countries increased from 15.3 percent in 1959 to 29.3 percent in 1960. Contributing to this were significant increases in the rate of underpayment for such individual commodities as sawn lumber (from 57.4 percent in 1959 to 86.6 percent), tobacco (from an overpayment of 8.1 percent to an underpayment of 58.7 percent), and pipe (from 27 to 39.5 percent).

TOTAL LOSSES OF CAPTIVE COUNTRIES

While it cannot be said that the figures in this analysis express with absolute precision the extent of Soviet price discrimination against the captive European countries, they nevertheless present a picture that

should be reasonably accurate. It is justified to extrapolate from comparable commodities in order to find the approximate total loss suffered by the captive nations, on their imports from and exports to the Soviet Union, through Soviet price discrimination.

Since the samples cover 58.9 percent of Soviet exports to the captive nations and 10.1 percent of Soviet imports from them, extrapolation shows that the Soviet price discrimination on exports alone netted a profit of \$753 million and on imports a profit of \$825 million, for an overall gain of \$1,578 million for 1960. Table 4 shows that such Soviet gains in the 6-year period 1955-60 have cost the captive European nations a total of about \$5,028 million.

HOW PRICE DISCRIMINATION IS SPREAD UNEVENLY AMONG COUNTRIES

Soviet price discrimination varies in degree from captive country to captive country, as tables 6 and 7 show. Thus, in relation to prices charged West European customers, the Soviet Union overcharged its exports to Poland at the lowest average rate (23.4 per-

cent) and Bulgaria at the highest (44.6 percent). In underpayment for goods that it imported from these nations, the Soviet Union inflicted the least average loss on Hungary (19.2 percent) and the most on Bulgaria (36.4 percent). (East Germany is excluded from consideration in these computations due to the inadequacy of statistics released on Soviet trade with that nation.)

Among the six captive nations for which statistics are adequate for extrapolation, it would appear that Albania in absolute values suffered the least through price discrimination (\$9 million on net overcharge, \$8 million on net underpayment) and Czechoslovakia the most (\$136 million and \$216 million, respectively).

Even in exporting a single commodity, the Soviet Union did not apply price discrimination uniformly among the captive countries. For crude oil East Germany was overcharged 68 percent and Poland 105 percent; for coke Bulgaria 30 percent and Hungary 74 percent; for cotton fiber, Rumania 25 percent and Poland 26 percent, but Albania 50 percent and Bulgaria 55 percent; for wheat, Poland 13 percent and Bulgaria 32 percent.

TABLES TO THE SOVIET-CAPTIVE COUNTRIES TRADE IN 1960

TABLE 1.—Price discrimination on Soviet exports to 7 captive European countries (CEC) in 1960 in relation to prices charged to Western Europe

Commodity	Unit	Quantity	Weighted average price in rubles for—		Percent of CEC price to Western European price	Overcharge or undercharge (—) to CEC, thousand rubles
			CEC	Western Europe		
Crude oil	Thousand tons	6,239.7	19.8	10.5	188.0	57,813
Gasoline	do	1,185.4	33.8	24.8	136.1	10,610
Kerosene	do	386.0	30.0	22.0	136.3	3,089
Diesel oil	do	898.0	28.2	20.0	141.1	7,378
Mazut	do	332.2	14.5	9.7	149.8	1,604
Coal	do	7,121.0	14.1	8.0	177.4	43,921
Anthracite	do	130.0	22.3	15.3	145.3	903
Coke	do	2,130.0	23.6	14.2	166.3	20,047
Iron ore	do	14,841.0	10.4	11.1	93.2	-11,198
Manganese ore	do	524.0	36.0	30.9	116.6	2,682
Chrome ore	do	116.0	39.2	23.8	164.9	1,789
Asbestos	do	43.5	184.8	123.4	149.8	2,672
Sulfur	do	63.7	39.7	21.5	184.5	1,158
Pig iron	do	926.6	60.8	43.7	139.2	15,856
Ferroalloys	do	66.0	257.9	164.6	156.7	6,157
Rolled ferrous metals	do	2,079.9	139.0	91.0	152.7	99,735
Pipes, crude oil	do	45.4	210.7	175.4	120.1	1,602
Pipes, rolled	do	26.6	215.9	164.7	131.1	1,361
Pipes, gas	do	19,837.0	157.4	166.2	94.7	-165
Zinc	do	36.0	210.9	222.7	94.7	-426
Lead	Thousand tons	46,337.0	240.4	178.1	135.0	2,886
Tin	do	3,030.0	1,882.2	1,914.9	98.3	-99
Aluminum	Thousand tons	49.0	478.1	421.2	113.5	2,792
Benzol	do	47.5	72.4	83.0	82.0	-756
Toluol	do	12.6	74.5	60.1	148.6	307
Cresote oil	do	44.4	38.3	25.9	147.9	550
Naphthalene	do	21.8	87.2	154.4	56.5	-1,465
Varnish	Thousand tons	4,199.0	145.8	124.1	117.5	91
Colophony	do	6,830.0	166.8	224.5	74.3	-394
Apatite concentrate	Thousand tons	1,207.2	16.3	14.7	110.5	1,867
Potassium salts	do	30.9	20.6	18.9	109.2	54
Ammonium nitrate	do	68.5	77.6	54.1	143.3	1,605
Round lumber	Thousand cubic meters	1,451.9	14.7	10.3	142.0	6,307
Sawn lumber	do	1,426.2	37.0	30.7	120.3	8,887
Plywood	do	3.1	129.7	95.8	135.3	105
Cellulose	Thousand tons	52.7	116.7	85.4	136.6	1,649
Newsprint	do	16.2	126.1	107.8	117.0	296
Cotton fiber	do	301.1	699.5	539.1	129.8	48,292
Flax fiber	do	17.9	330.2	258.7	127.6	1,280
Flax short fiber	do	3.0	122.7	133.5	91.9	-33
Oil cakes and bran	do	30.2	70.2	69.0	101.8	37
Wheat	do	4,176.4	66.4	56.5	117.6	41,424
Rye	do	520.9	57.0	50.0	113.9	3,625
Barley	do	145.4	55.8	43.7	127.5	1,750
Oats	do	16.0	46.1	50.9	90.4	-78
Corn	do	48.6	60.3	62.0	116.1	406
Whale fat	Tons	10,570.0	229.2	162.1	141.4	710
Frozen meat	Thousand tons	11.3	471.4	372.1	126.7	1,122
Canned salmon	Thousand condensed cans	1,600.0	328.1	296.4	110.7	51
Crab meat	do	1,100.0	618.2	648.2	95.4	-33
Cotton fabrics	Thousand meters	36,894.0	379.8	125.2	303.4	9,393
Total overcharge						413,863
Total undercharge						-14,647
Net overcharge						399,216

In thousand rubles

Value of 51 comparable sample commodities exported from the Soviet Union to the captive European countries—

At prices charged to the captive European countries

At prices charged to Western Europe

Total value of Soviet exports to captive European countries

Sample coverage: 1,654,319; 2,807,600 = 58.9229 percent.

1,654,319
1,255,103
2,807,600

TABLE 2.—Price discrimination on Soviet imports from 7 captive European countries (CEC) in 1960 in relation to prices paid to CEC

Commodity	Unit	Quantity	Weighted average price in rubles for—		Percent of Western European price to CEC price	Underpayment or overpayment (—) to CEC thousand rubles
			CEC	Western Europe		
Crude oil.....	Thousand tons.....	163.0	14.0	16.9	121.0	477
Rolled ferrous metals.....	do.....	86.0	146.5	154.7	105.6	707
Pipes.....	do.....	181.0	193.2	269.6	139.5	13,827
Cable, power.....	Kilometers.....	7,954.0	2,743.2	2,694.0	98.2	-391
Cable, control.....	do.....	700.0	1,500.0	854.3	57.0	-452
Cable, telephone.....	do.....	400.0	412.5	574.1	139.2	65
Cable, cord.....	do.....	1,200.0	1,943.3	2,252.7	115.9	371
Cable, signal-blocking.....	do.....	301.0	744.2	1,078.3	144.9	101
Caustic soda.....	Thousand tons.....	63.0	62.8	68.3	108.7	343
Calcinated soda.....	do.....	148.2	29.0	31.6	108.7	375
Caoutchouc, synthetic.....	do.....	24.8	486.5	386.8	79.5	-2,473
Cement.....	do.....	797.0	9.7	9.0	92.7	-568
Sawn lumber, leaf.....	Thousand cubic meters.....	235.6	57.5	107.3	186.6	11,735
Plywood, knife.....	Thousand square meters.....	4,816.4	241.1	422.2	175.1	872
Staple fiber.....	Thousand tons.....	15.9	439.5	416.9	94.9	-360
Wool yarn.....	do.....	2	2,380.0	3,851.6	161.8	294
Small hides.....	Thousand pieces.....	215.0	837.2	1,192.4	142.4	76
Raw tobacco.....	Thousand tons.....	45.5	657.6	1,043.3	158.7	17,552
Corn.....	do.....	100.5	65.0	61.8	70.6	-1,332
Hops.....	Tons.....	860.0	1,229.1	1,271.7	103.5	37
Frozen meat.....	Thousand tons.....	3.4	420.3	372.0	88.5	-164
Wool fabrics.....	Thousand meters.....	10,300.0	2,186.3	3,981.5	182.1	18,491
Silk fabrics.....	do.....	8,900.0	786.5	437.8	55.7	-3,104
Leather footwear.....	Thousand pairs.....	16,132.0	3,810.9	4,949.5	129.9	18,367
Total overcharge.....						83,690
Total undercharge.....						-8,844
Net underpayment.....						74,846

In thousand rubles
 Value of 24 comparable sample commodities imported by the Soviet Union from the captive European countries—
 At prices paid to Western Europe..... 330,638
 At prices paid to the captive European countries..... 255,792
 Total value of Soviet imports from captive European countries..... 2,537,500
 Sample coverage: 255,792 : 2,537,500 = 10.08047 percent.

TABLE 3.—Losses of 7 captive European countries on sample commodities in trade with U.S.S.R. in 1959 and 1960 in percentage of value (by commodities only)

	Soviet exports		Soviet imports	
	1959	1960	1959	1960
In relation to value at prices charged on Soviet exports to, or paid for Soviet imports from, captive European countries.....	22.7	24.1	15.3	29.3
In relation to value at prices charged on Soviet exports to, or paid for Soviet imports from, Western Europe.....	29.3	31.8	13.3	22.6

TABLE 4.—Losses of 7 captive European countries (CEC) on all trade with U.S.S.R. in 1955-60 calculated on the basis of losses on sample commodities, in percentage of value and in millions of dollars (by commodities only)

	U.S.S.R. exports to CEC, in millions of dollars	Loss to CEC		U.S.S.R. imports from CEC, in millions of dollars	Loss to CEC		Total loss, millions of dollars
		Percent	Millions of dollars		Percent	Millions of dollars	
1955.....	1,792	16.0	287	1,663	13.0	216	503
1956.....	1,768	11.0	194	1,815	22.0	399	593
1957.....	2,550	7.0	178	1,914	21.0	402	580
1958.....	2,320	12.0	278	2,206	20.0	441	719
1959.....	2,950	22.7	668	2,520	15.3	387	1,055
1960.....	3,120	24.1	753	2,819	29.3	825	1,578
1955-60.....	14,500		2,358	12,937		2,670	5,028

TABLE 6.—Losses of 6 captive European countries on account of price discrimination in trade with U.S.S.R. on sample commodities in 1960, by countries, in thousand dollars and in percentage of value

Country	U.S.S.R. exports to captive European countries					U.S.S.R. imports from captive European countries				
	Value of samples at—		Net overcharge	Percent of net overcharge in relation to value at—		Value of samples at—		Net underpayment	Percent of net underpayment in relation to value at—	
	Actual prices	Western European prices		Actual prices	Western European prices	Actual prices	Western European prices		Actual prices	Western European prices
Albania.....	12,183	9,581	2,602	21.4	27.2	8,707	11,659	2,952	33.9	25.3
Bulgaria.....	128,910	89,173	39,737	30.8	44.6	34,550	54,311	19,761	57.2	36.4
Czechoslovakia.....	365,115	286,762	78,353	21.5	27.3	72,968	97,148	24,180	33.1	24.9
Hungary.....	172,936	127,176	45,760	26.5	36.0	19,608	24,130	4,522	23.7	19.2
Poland.....	298,592	241,949	56,643	19.0	23.4	46,341	62,671	16,330	35.2	26.1
Rumania.....	148,512	108,397	40,115	27.0	37.0	60,532	82,068	21,536	35.6	26.2
Total.....	1,126,248	863,038	263,210	23.4	30.5	242,606	331,987	89,381	36.8	26.9

TABLE 7.—Losses of 6 captive European countries on account of price discrimination in trade with U.S.S.R. in 1960, by countries, in millions of dollars

Country	U.S.S.R. exports			U.S.S.R. imports			Total loss
	Value at actual price	Overcharge, percent	Loss	Value at actual price	Underpayment, percent	Loss	
Albania.....	43.5	21.4	9.3	24.2	33.9	8.2	17.5
Bulgaria.....	329.0	30.8	101.4	298.6	57.2	170.8	272.2
Czechoslovakia.....	632.4	21.5	135.7	652.4	33.1	216.2	351.9
Hungary.....	311.4	26.5	82.4	248.2	23.7	58.8	141.2
Poland.....	490.8	19.0	93.1	388.7	35.2	136.3	229.4
Rumania.....	260.7	27.0	70.4	280.0	35.6	99.6	170.0
Total.....	2,067.8	23.8	492.3	1,890.1	36.5	689.9	1,182.2

TABLE 8.—Average prices of some more important commodities of U.S.S.R. exports to Western Europe and to captive European countries in 1960, by countries, in rubles and indexes (Western Europe=100)

Country	Overall price index	Crude oil		Coal		Coke		Pig iron		Cotton fiber		Wheat	
		Rubles per ton	Index	Rubles per ton	Index	Rubles per ton	Index	Rubles per ton	Index	Rubles per ton	Index	Rubles per ton	Index
Western Europe.....	100	10.53	100	7.97	100	14.19	100	43.66	100	539.1	100	56.52	100
Albania.....	127									810.0	150	68.22	121
Bulgaria.....	145					18.44	130	56.56	130	834.1	155	74.83	132
Czechoslovakia.....	127	20.65	196	14.16	178			64.90	149	685.3	127	66.82	118
Eastern Germany.....	134	17.71	168	14.01	176	23.85	168	60.24	138	701.9	130	65.99	117
Hungary.....	136	20.11	191	13.81	173	24.73	174	64.43	148	707.1	131	65.83	116
Poland.....	123	21.56	205	14.79	186			98.00	224	680.0	126	64.04	113
Rumania.....	137			15.29	192	22.64	160	64.50	148	673.9	125	73.98	131

TRADE POLICY

Mr. JAVITS. Mr. President, a recent editorial by William Randolph Hearst, Jr., editor in chief of the Hearst newspapers, has come to my attention. It is entitled "We Support Trade Program," and is, in my opinion, in the highest tradition of responsible journalism. It is both thoughtful and hard hitting, and it presents the case for the trade program which "is not a partisan program, but an American one." I ask unanimous consent to have this editorial inserted in the RECORD at the conclusion of my remarks.

Trade expansion is indeed a national issue which has enlisted the support of a broad and bipartisan group of our national leaders. It is a program which still is being shaped to meet the challenges of our time, to project the power and the energy of our country forward into the great and changing stream of world history. For this purpose, I have presented certain alternative proposals to the trade bill as it was originally presented to the Congress. Some of these suggestions have found a place in the bill which now is in the other body. Some of the others I expect to present again, in a form suitable to the bill which will come to the Senate, so they may be considered here.

But all these suggestions have been offered and will be offered in the spirit of furthering the objectives of a program on which this Nation finds itself increasingly united—a program which, as is pointed out by Mr. Hearst, is designed to serve the best interests of our country and all our people, whether management, labor, or farmers.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDITOR'S REPORT: WE SUPPORT TRADE PROGRAM
(By William Randolph Hearst, Jr.)

Almost 4 months ago to the day, following a visit to Washington and a chat with the

President and some of his aids, I devoted part of this column of January 21 to one of the great issues of our time—the new trade expansion program the administration and Congress are shaping into legislation. In fact, the House Ways and Means Committee is expected to report it out to the floor this week.

At the time I deliberately refrained from taking a stand one way or the other. This matter is far too complex, far too enormous in its implications, to permit conclusion jumping, a practice we try to avoid, even if it only concerns election of a dogcatcher.

The trade program involves the economic health, progress, and prosperity of our country; the welfare of management, labor, and agriculture; the wallets and pocketbooks of all of us, and the strength of the free world.

What was urged in the January column was that Americans take a long, hard look at the arguments for and against the program—which would give the President far greater authority to negotiate on tariffs than could possibly have been envisioned, say 10 years ago.

It is a popular cliché that one rarely follows the good advice he gives to others, but in this instance we of the Hearst newspapers have a clear conscience. We really did our homework. Each of our papers dug into conditions in its area and published the findings. Here in this office we've been discussing it for months.

Our conclusion is that it is not only desirable but necessary to support the program—otherwise we'll find ourselves outside the great trade ball park, peering through a knothole in the fence.

And this conclusion in turn is based on our belief that it would serve the best interests of our country and all our people, whether management, labor, or farmers.

This has been the measuring rod, I need scarcely add, of the Hearst newspapers since they were founded by my father.

I have purposely not identified the plan as a Kennedy administration program, because although the administration is backing it now, the necessity for the concept was realized back in the Eisenhower administration.

It is supported by such influential Republicans as former Presidents Eisenhower and Hoover, Dick Nixon, former U.N. Ambassador Henry Cabot Lodge, former Secretary

of State Herter, and Alf Landon, onetime Governor of the great Midwest State of Kansas and Republican nominee for President in 1936. Add to them the U.S. Chamber of Commerce, the AFL-CIO, and—with some strong reservations—the National Association of Manufacturers. None of these gentlemen or groups can be classified as dreamy-eyed visionaries.

So in a very real sense it is not a partisan program but an American one.

The concept of greater Presidential power to lower tariff walls on a reciprocal tit-for-tat basis is not some New Frontier economist's flash-in-the-night inspiration, but rather a developing idea growing out of the changed and changing world in which we live. The most dramatic and significant aspect of this change is the formation of the European Common Market.

This is an economic community of six nations (France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg) with a combined population of some 200 million. Its program is to eliminate among themselves customs duties and other trade barriers, while setting up a common outside tariff wall. The program is advancing far more rapidly than its most optimistic leaders hoped.

There is also the prospect that sooner or later some or all of the so-called Outer Seven nations (Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and Great Britain) will join up. Some have already applied for a working relationship with the Common Market.

As the January Editor's Report noted, the Common Market "is simply an adaptation of the principle we have had here among our United States since the adoption of the Constitution—that there be no tariff of any kind between our States." The column went on to say: "Under this system we flourished and became the greatest industrial nation in the world. We had varying low or high tariffs toward the other nations, but on the whole we protected our young and growing industries from foreign competition."

It is no secret—in fact we affirm it with pride—that the Hearst newspapers have been "protectionist" in behalf of American industry and labor. We still are "protectionist," but we believe the best kind of protection—and incitement to progress—will come from a realistic, workable relationship with

the European Common Market, plus all the nations of the free world.

Otherwise the U.S. economic leadership of the world would be dangerously threatened. We could find ourselves involved in a ruinous trade war, which would only abet Khrushchev's aim to divide and conquer the free world. It would tend to confirm the conviction of Marx that the capitalist nations are bound by their very nature to render themselves impotent and open to Communist domination by the attrition of economic hostility.

What the trade program seeks is a grant of Presidential authority to negotiate tariffs on a broad basis of categories (textiles, food products, chemicals, for instance), rather than the item-by-item system he has been confined to up to now. (To take a hypothetically exaggerated example, heretofore he could negotiate a tariff deal on Swiss cheese, but not on Swiss, Camembert, Limburger, and Edam combined.)

One of the encouraging things about the approach of the White House and Congress to the problem is that they have not only been consulting cooperatively together, but also have been working behind the scenes with business, agriculture and labor. In other words the administration is not attempting to cram it down our throats in its first tentative draft. It is being amended, tempered, and buttressed, recognizing the indisputable fact that some segments of business and labor are going to be badly hurt.

One revision, which I understand the White House is willing to accept, would establish a "special representative" with the rank of ambassador. He would be appointed by the President, subject to Senate confirmation, and would in effect be an ambassador for the American people in tariff negotiations. He would be required to seek advice from industry, labor, and agriculture on each negotiation.

Another amendment would retain congressional power to override the President in escape-clause cases by a two-thirds majority of House and Senate. An escape clause is simply an authorization to the President to impose increased duties or quotas when increased imports, due to a trade agreement concession, are causing or threatening serious injury to a domestic industry.

In addition there are the original safeguards proposed by Mr. Kennedy. They would—

1. Continue the escape clause provision.
2. Provide expanded unemployment compensation, retraining and relocation allowances for workers forced out of their jobs (the official estimate is 18,000 workers a year for 5 years—that is, a total of 90,000).
3. Provide tax relief, technical assistance, and low-cost loans for hurt businesses.

It is reported that pressure is being applied by some groups in Washington to water down relief to workers.

I want to make it clear right here and now that the Hearst newspapers wholeheartedly support (1) reasonable and rightful compensation for dislocated workers, and (2) reasonable and rightful compensation for hurt businesses.

I have been discussing the trade program largely in terms of the European Common Market, because that is the most striking economic phenomenon of this decade. But actually the application and implications of the program would be worldwide.

Not free trade but freer trade which is the purpose of the program, would inevitably affect the prosperity of all the free world—Latin America, Japan, and other Asian allies, and the emerged or emerging African states. It has the potentialities—and I use that word advisedly—of becoming a tremendously effective response to Khrushchev's boast that communism will bury us.

As President Kennedy put it in his Thursday speech: "Now the time has come for a

new chapter in American trade policy—a chapter that symbolizes our new great aspirations for greater growth at home, greater progress around the world, and above all, the emergence of a great Atlantic partnership."

We are a trading nation. Right now we enjoy a favorable trade balance (the difference between \$15 billion imports and \$20.8 billion exports) of nearly \$6 billion. Where we are hurting is in the balance of payments, a deficit arising from total payments to foreign countries which is greater than our income from them.

That is due chiefly to the billions we have spent and are spending on foreign aid, some of it essential, some of it absurd. It is logical to suppose that the more countries which are able to participate in trade fewer will require our help, and the drain of our taxpayers' dollars, if not plugged, at least will be reduced.

Finally we are a competing people. Competition is our heritage and we play to win. Given a fair break, we have no reason to fear the Common Market or any other economic grouping.

WORLD LAW

Mr. JAVITS. Mr. President, one of the most important positive advances the world can make toward peace is establishment of the rule of international justice and world law. The great political and ideological challenges that confront the free world can best be dealt with when national security is not threatened by force. Law must become the substitute for force as the controlling factor in world affairs, and this recognition is spurring a movement for peace that has been gathering increasing momentum throughout the world.

Charles S. Rhyne, a former president of the American Bar Association, and now chairman of the ABA Special Committee on World Peace Through Law, has been devoting his energies and ability without stint to this great task. I ask unanimous consent to have printed in the RECORD his report on the conference of international lawyers held in Rome in April, entitled "World's Lawyers Join the Peace Race." It appeared in the War/Peace Report for June 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD'S LAWYERS JOIN THE PEACE RACE (By Charles S. Rhyne)

(The lawyers of more than 100 nations, including representatives of the Soviet Union and other Communist countries, are moving ahead with a broad program aimed at establishing a world ruled by law.)

If you walk into an American lawyer's office, you are likely to see the four or five shelves of volumes needed to contain the principal U.S. laws. But every international law of worldwide application could be printed in just two or three volumes—and even that hasn't been done yet.

It is humbling for a lawyer to reflect on how far his profession has lagged behind the spectacular advances of the scientists. But, I am happy to say, lawyers are now beginning to make up for lost time.

In the past 5 years a worldwide search for methods to build a world ruled by law and justice has been launched. What began as a committee of the American Bar Association has grown to the point where today more than 10,000 lawyers in 109 countries are active in this drive. Within the past year four continental conferences of these lawyers have been held in Costa Rica, Japan,

Nigeria, and Italy. Now a world conference is set for next year.

A 150-page working paper prepared for the conferences shows how short a distance world law has yet come, how far it must go. Beyond the law of the sea, the law of diplomatic immunity, and the postal convention there is little really universally adopted world law. Many existing treaties which should have been signed by all nations, or by the nations of a particular region or continent, have been accepted by only two, or five, or perhaps a dozen nations. This situation has arisen because of the cumbersome lawmaking process existing in the world today. It has been aggravated by the lack of information about existing treaties among government officials of many nations—despite the fact that adherence to these treaties would benefit their nations.

Historically, international law has grown up in two principal ways. One is by having rules become established over the centuries through custom, as was the case originally with the law of the sea and the law of diplomatic immunity. The other is through the creation of treaties or conventions, as in the case of the Postal Convention. World law cannot be created in a world legislative body because none exists, nor is one likely to exist soon.

NEED FASTER WAYS

These ancient ways of making world law are too slow in a day of almost instantaneous communication, space travel, and sufficient power to destroy mankind within minutes. Over and over in the lawyer's continental conferences the point was made that bigger bombs and the accelerated arms race have not brought peace and security to the world, and that in fact people feel less and less secure with each passing year.

The continental conferences recognized that the rule of law provides mankind's best hope for world peace because it provides a credible system of security for nations in lieu of the security now sought so unsuccessfully through arms. Only the Russian delegate at the Rome conference demurred from this view, but even his demurral did not prevent him from saying:

"Never in history has the role of lawyers been such a responsible one as in our time. Owing to their profession, lawyers are entrusted with the task of safeguarding law and justice, subduing abuse and violence, urging punishment for murder or destruction of cultural values of a material character. But nowadays the development of weapons and the arms race has reached such an unprecedented point that hundreds of millions of human lives, peoples' greatest achievements and the very future of mankind are at stake. That is why the voice of lawyers against war, and for peace, should be heard all over the world. It should reach all peoples and governments who hold the destiny of mankind in their hands."

"Gentlemen, the questions which are being debated here have been called to the attention of Soviet lawyers. We respect any suggestion, opinion or plan which is advanced by lawyers for the purpose of safeguarding peace. We, Soviet lawyers, may not accept many of the proposals made here but nevertheless we are participating in the procedures of this conference mainly because we believe that despite diversity in opinions, we must meet and discuss these differences so that by convincing each other we can arrive at mutually acceptable solutions."

This delegate was Dr. Victor Chkhikvadze, vice president of the law institute of the U.S.S.R. Academy of Sciences. He gave his reservations to world law as follows:

"The concept of world peace through the rule of law raises a certain degree of doubt and objections in my mind. It would appear to me that this concept underestimates the

importance of principles of national sovereignty, which are the legal expression of self-determination of peoples. We strive for adherence to international law, for a further development and for establishing new institutions and ideas.

"You have all witnessed the rapid growth of international law since World War II, and in this connection I would like to emphasize the role of the United Nations. It is significant that the development of international law did not take place at the expense of national sovereignty, although it is widely known that any international obligation assumed by a state involves a voluntary limitation of its sovereignty. Absolute sovereignty is not compatible with international law. As soon as the state assumes an international obligation it relinquishes some of its sovereignty, since any international obligation imposes some restriction on the rights of a state.

"I also think that the concept of world peace through the rule of law overestimates the importance of the role of law. In spite of all my respect for and devotion to law, I must admit, for honesty's sake, that although it plays a very important part in safeguarding world peace, it is, nevertheless, not the sole means for achieving it. Peace can be secured by political, diplomatic, economic, and legal means all combined. In my opinion the actual task before lawyers throughout the world is the strengthening and further development of present-day international law."

FATAL FLAW

A majority of delegates felt there was a fatal flaw in the Soviet delegate's opinion that a nation gives up some sovereignty when it makes a treaty. Actually, in making a treaty, a nation is exercising its sovereignty to get something it needs, such as trade, air or mail service, or even disarmament. However, while it was generally felt that the spread of law in the world community is the best road to peace, no one contended it is the only way. Some delegates pointed out that all methods must ultimately express themselves in legal rules and institutions in order to be effective. For example, any disarmament plan or treaty for the peaceful use of outer space must take the form of new world law.

Although these conferences were not the first international gatherings of lawyers, they were nevertheless unique. They were the first to concentrate exclusively on the whole spectrum of world law experience in a search for a legal formula for world peace. They involved more lawyers from more countries than had ever assembled before. This participation was assured by the practical expedient of paying the expenses of each participant. The Ford Foundation provided the necessary funds, although it took no part in the conferences themselves. This allowed each lawyer to participate on the basis of absolute equality.

The support of governments of the world was impressive. President Kennedy and 61 other heads of state sent messages to the conferences approving their objectives and urging an all-out effort to develop concrete plans and programs for a world of law and justice. Pope John XXIII spoke in person to the Rome conference.

The backgrounds of the delegates were also remarkable. Many were outstanding trial lawyers in their own countries who lacked experience in international gatherings. But others were former foreign ministers, ambassadors, chief justices and international law experts. With such a cross section, the first job of the delegates was to learn to talk, work, and think together. The informal discussion format of the conferences, the working paper, and the equality of the participants all helped to do this quickly. Most important of all, the lawyers found that despite differences in race, creed, and na-

tional origin they shared a common understanding of the principles of law.

As the lawyers surveyed ideas, the thrust of the group's thinking led generally toward support for strengthening the United Nations regional organizations, and the World Court. New regional or specialized courts similar to the highly successful European Court of Justice were highly favored. The deciding of over a hundred disputes by this European Court is a bright new chapter in international adjudication, especially when compared with the World Court's disuse. This experience with the European Court led to unanimous recommendations for the creation of similar new regional and specialized courts for the Americas, for Asia, and for Africa.

The current campaign to downgrade the U.N. found no adherents among these lawyers from 103 nations. They voted unanimously that: "The United Nations is the world's best hope for international peace under the rule of law; it must be supported and strengthened by all possible means, and the obligations of its charter must be scrupulously respected by all nations."

The four continental conferences approved a program of specific, step-by-step building of a world of law and justice. Among the main programs agreed on were these five:

1. A World Law Conference will be held in the spring of 1963, possibly in New Delhi, India. This will be attended by lawyers from each of the nations that have taken part in the program so far, with lawyers from the few nonparticipating countries also to be invited to insure full world cooperation.
2. A World Law Day will coincide with the opening day of the World Law Conference so as to focus public attention throughout the world upon the promise and potential of world law.
3. A World Law Year (similar to the International Geophysical Year, which accomplished so much for science) will be planned to carry out a broad series of projects. One of these will be the codification of existing international law into world law codes, to be prepared subject by subject for ready reference. Also, needed new treaties and conventions will be drafted.
4. A permanent World Peace Through Law Institute or Center will serve as a world clearinghouse for cooperative activity of existing international, national, and local groups of lawyers, law schools, and other bodies.
5. Permanent Committees on World Peace Through Law will be established in each nation. Temporary committees already exist in many countries. These committees, as part of the World Peace Through Law Institute, will undertake to educate both the public and government officials of their own nations on the value of specific measures leading toward world rule of law.

WITHIN REACH

Lawyers alone cannot win the peace race. Every individual, no matter what his station in life, has his role to play if we are in fact to avoid nuclear war and establish a durable peace under law and justice. But lawyers, who are in the forefront of public affairs in every nation where free discussion is allowed, are by training and tradition one of the best equipped groups to provide sound leadership toward peace. I sincerely believe that the work I have reported upon here is bringing a world ruled by law within the reach of our generation. If we put as much brainpower and manpower—and money—into the effort to achieve world law as we have into such hitherto "impossible" projects as putting a man into space or on the moon, we will succeed. And that success will be much more meaningful because when a world of law is achieved man will be able to walk anywhere on the face of the earth, or travel in outer space, in freedom, in dignity, and in peace.

PUBLIC HOUSING IN THE URBAN ENVIRONMENT

Mr. WILLIAMS of New Jersey. Mr. President, I think it is fair to say that nothing better has happened in the field of public housing in recent years than the appointment of Mrs. Marie McGuire as Commissioner of the Public Housing Administration.

That Mrs. McGuire has brought new energy, zest, and imagination to this program is amply demonstrated, I believe, in the statement she made earlier this year to the Woman's National Democratic Club here in Washington.

Mrs. McGuire's speech reflects her clear recognition that public housing is not an island unto itself, that it is and must be an integral part of the community.

Our goal—

She states—

is the provision of design freedom and an atmosphere in which imagination readily may work to improve not only the exterior appearance of public housing, but also to create better functional living environments in which the dwellings are related both to the site and to community resources.

Also apparent is her understanding that "salvation cannot be achieved by bricks and mortar alone," as one observer has noted. Mrs. McGuire describes the new and encouraging coordination of efforts between HHFA and HEW in combining necessary social services with the low-income housing programs. As she states:

We have not forgotten that this program has at its heart the human factor, the resident.

Mr. President, I hope the Members of this body will have an opportunity to discover the new directions being taken in the public housing program under the capable leadership of Mrs. McGuire, and I ask unanimous consent that her talk of April 30 be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY MARIE C. MCGUIRE, COMMISSIONER, PUBLIC HOUSING ADMINISTRATION, BEFORE THE WOMAN'S NATIONAL DEMOCRATIC CLUB, WASHINGTON, D.C.

You know, having a twin sister, I sometimes am tempted to be a little devilish and change places with her just for a day. Especially now, with the wonderful excitement of her campaign in Maryland, the temptation is very strong. Then, this morning I was thinking about getting together with you for lunch and the marvelous opportunity you have given me to be a little political and still talk about my favorite subject, low-rent public housing. I can't thank you enough.

It really isn't possible to divorce the philosophy of the public housing program from political philosophy. I'm not thinking specifically of party politics although, generally speaking, Democrats have been the strong supporters of the program over the years while the main opposition came from Republican quarters. But, on the other hand, Republican leaders such as Senator JACOB K. JAVITS and the late Senator ROBERT TAF strongly supported the program. Their expressed concern for our country's housing poor, I believe, was above party politics. In this regard, their political philosophy was for the common good of all our citizens,

economic circumstances notwithstanding, and this is our goal in public housing.

Naturally, our sphere of activity is limited by law to providing housing for families of low income. But, we count ourselves fortunate for two reasons, first, because the low-rent public housing program serves those families in greatest need—it provides safe, decent housing to the victims of slum landlords. And, second, because for the first time in 8 years, the low-rent program is considered to be a full partner in our Government's efforts toward urban betterment. This has come about through President Kennedy's leadership and the organizing ability of U.S. Housing Administrator Robert C. Weaver.

The President has long recognized the need for a comprehensive and total approach to cure the basic ills of our cities. Elimination of neon nightmares; pockets of decay and dilapidation in the cities' core; helter-skelter, unplanned growth of the suburbs; halting the reckless devouring of vacant land so we might plan for parks and open spaces within and surrounding our cities—all, and more, are goals of this administration.

In October 1960, Senator John F. Kennedy, speaking before the Urban Affairs Conference in Pittsburgh, described these problems as "the new urban frontier, which exists in every city in America and its suburbs." Turning his attention to the specific of housing, he said our programs "should be brought into a better balance—so that they will be designed to build homes not only for higher income families but also for lower income and middle income, not only in the newer suburbs but also in our older cities." And, a little later he explained, "We should meet the neglected needs of the elderly and of minority groups. And let us improve the help we are giving to those families and businesses that are displaced by redevelopment and other governmental programs. The cost of projects which benefit a whole community should not be disproportionately borne by a few."

President Kennedy was not speaking of the disorganized approach in which separate housing programs merely pick at total and glaring urban problems—a little redevelopment here, some public housing there, FHA mortgage insurance in another area.

The President envisioned a united effort coordinated by a new Cabinet officer. Specifically, he said, "To coordinate its own participation, the Federal Government should raise to that status of Cabinet department all of its activities relating to urban development and metropolitan planning. It is time the people who live in urban areas receive equal representation."

I'm sure each of you is aware of the events which followed regarding the establishment of a Department of Urban Affairs and Housing. On several occasions the President vigorously urged and supported legislation creating it and then, when it was not forthcoming, presented his reorganization plan to establish it. We all know that, unfortunately, it did not come to pass. But, I believe, with President Kennedy and Administrator Weaver, that it will—not because it is a Democratic administration which proposes it, but because the American people need and want it. What is lacking is the translation of this need and desire into action.

This is not an area in which the Federal Government can carry the full load. It must work in cooperation with State and local governments. But, one reason why Federal interest and activity have been increasing in this field is the fact that there is now an urban-rural representation imbalance at the State level. While the Federal Legislature is reapportioned every 10 years to reflect shifts in population, thereby providing proper representation in Congress,

governments of many States have been reluctant to effect reapportionment in spite of the demonstrated shift of population from rural to urban areas. This situation continues to result in a representation imbalance in favor of rural areas. Hopefully, the recent Supreme Court decision will clear the way for States to take prompt action to correct this unfair situation. Through this means, a true city-State-Federal partnership may be achieved.

I have been speaking of the problems of our cities in general terms and of past actions and in hope of future ones. But, we in the housing agencies have not been preoccupied by past disappointments or hopes for the days ahead. Lacking the establishment of a Cabinet post, Administrator Weaver, by the power of his personality and the infectious nature of his enthusiasm, has brought a unity and close coordination of the constituent agencies of the Housing and Home Finance Agency that had never before been realized. There exists today, a true teamwork among the Government's housing agencies, a most necessary factor if we are to develop the comprehensive programs we must.

For example, when urban redevelopment programs are being planned, public housing is now made part of them—often as a land reuse developer. Usually it is planned as a relocation resource for families displaced as a result of redevelopment. In the localities where they have tried to eliminate low-rent housing from their redevelopment planning, they have found it cannot be done. Public housing and urban renewal programs supplement and complement one another and, when they are planned together, the community reaps the benefits.

In other areas, the low-rent program has tied in with FHA and community facilities programs where properties were in default and available for purchase to fill a local low-rent housing need with existing housing.

To further demonstrate our coordinated efforts, let me cite another example. There is a pressing need for more middle income housing. The low-rent program has been adding to this need and we are proud of this because it means we are doing the job of helping to uplift families so they might move into the standard private housing market. Unfortunately, the lack of middle income housing for these "graduating" families, too often forced them back into substandard housing since, by law, their incomes were too high for continued occupancy in low-rent dwellings and no housing at the next step was available.

The FHA is encouraging the production, by private industry, of more middle income housing to help meet this demand, and we in PHA are studying the possibility of selling low-rent dwellings to over-income tenants. Our plan would provide for sale of public housing to tenants who have moved up sufficiently in the income scale to purchase such units with the assistance, where available, of the 1961 FHA long-term low interest rates provisions. It would not just be sale for its own sake, but would make maximum use of the incentive of home ownership to provide public housing tenants with the desire to better their economic status and to take a personal interest in the maintenance and operation of their dwellings and the community in which they live. This plan would have to be tried in the proper spot from the standpoint of the physical aspects, the legal aspects, and the social and environmental climate. We hope to be interesting some such localities to try it before very long.

Coordination of our programs does not merely relate to the bread and butter aspects of physically producing homes and community facilities. It extends to concerted effort toward meeting a social need as well. Recently, a Portland, Oreg., newspaper

vividly described this fact. The elderly citizen population of Portland as elsewhere in the country consists of persons in various economic levels. Some are well-to-do, others have moderate incomes, but the majority are retired persons living on low, fixed incomes, pensions, social security, and so on.

It was clear that housing need existed at several levels. For those who could afford it, luxury retirement apartments were developed by local builders through mortgage financing programs of FHA. Church groups and other nonprofit organizations undertook to produce housing for elderly families of modest income. Under the public housing program, the local housing authority designed, and is now constructing, a modern tower apartment house for low income elderly persons. These homes have been specially designed to meet the safety and livability needs of older persons.

Portland is not alone in viewing its elderly citizen housing needs as a total problem. Other cities, and not only big cities, but small towns as well, have these same difficulties and are working to overcome them. Their success in meeting them will depend, as in Portland, on city, State, and Federal interest.

Public housing and all other programs will prosper and serve the common good only to the extent that they remain responsive to current and changing need. While we can be guided by achievements and mistakes of the past, we cannot afford to accept the traditional procedure as being viable enough to meet the demands of a dynamic and changing city scene.

For years the opponents and sometimes the friends of the low-rent program have criticized the homes it produces as institutional in appearance, relating neither to the neighborhood nor community resources, and perpetuating ugliness and stagnating a desirable social living quality to the city.

While not all of these criticisms are valid in all places, nevertheless we took a long look at what had been produced.

It is one thing to know and point out what is wrong and another to achieve the remedies. For example, we have known for some time now that it is not a good idea to build large stratified "Government projects." We certainly are convinced of it in the PHA, and I believe that local housing officials are aware of this. Yet, as recently as a month or so ago, some of the most knowledgeable members of our profession were still hammering away exclusively at the PHA, in open forum in Washington, attended by representatives of all the constituent agencies of the HHFA, local housing authorities and communities from all over the country. We in the PHA are willing to accept our share of the blame and responsibility, but these critics would be better advised instead to help PHA convince the public in general, the local governmental officials, the urban renewal authorities, the planning commissions, the architectural and planning profession of what is needed—the proper components for achieving a fulfilling living environment.

Our goal in eliminating what has often been called the redtape of public housing development requirement is the provision of design freedom and an atmosphere in which imagination readily may work to improve not only the exterior appearance of public housing, but also to create better functional living environments in which the dwellings are related both to the site and to community resources.

Public housing in its development should not be clearly identifiable even when faced with density problems. Unfortunately, too often in cities around the country, public housing dwellings have been designed that, instead of blending with the architectural patterns surrounding them, stick out like sore thumbs creating a sense of pride neither in the occupant nor in the community. This

certainly need not be. It costs no more to produce good design than poor design.

While we have given consideration to design and other physical problems relating to the public housing program, we have not forgotten that this program has at its heart the human factor, the resident. The public housing program was designed to provide families with decent homes until they were able to become renters or owners in the private housing market. For years we have preached the doctrine that this program provides a steppingstone from the slum to private home ownership. It is natural to this process that there will be a distilling effect in which those families unable to improve their lot tend to remain. In a situation such as this, over a long period of time, it is to be expected that the number of these families will grow in proportion to the total tenant population.

Realizing that the public housing program is something more than just a construction program and yet keenly aware of the fact that we do not have authority or budget to perform the social welfare services required by some of the tenants if they are to become contributing citizens, local housing authorities have maintained liaison and cooperated with local community service programs ever since the first unit was occupied but generally these services were not sufficient to meet the changing and growing problems of the families housed.

Therefore, during 1961, PHA and the Department of Health, Education, and Welfare began to investigate areas in which the agencies would be mutually benefited by coordination of existing programs. This groundwork culminated in the announcement of a joint effort to promote health, education, and welfare services in public housing projects and urban development areas, which was announced by Secretary Abraham Ribicoff of HEW and Administrator Robert C. Weaver, on March 15.

Within recent weeks, the task force established by Secretary Ribicoff and Dr. Weaver selected two public housing communities as the first in which to concentrate social and welfare services. We are hopeful that this program will benefit the tenant, the city, and the low-rent program, and we will watch its progress with great interest. Other cities will be chosen in which to demonstrate the principle of massive services and the results obtained therefrom.

We in housing have accomplished a great deal in 1961 and much more might have been done if it were not for the disappointments I spoke of earlier. It might have been possible under a Department of Urban Affairs and Housing, in 1961, to focus the spotlight of public and official sentiment and interest on problems other than housing which are impeding the growth of our cities. Perhaps the overall, fruitless competition between the central city and the suburbs—for which we are paying too high an economic, social, and cultural price—might have been brought under control through local action and Federal assistance.

Then, too, there is the problem of urban mass transportation. We in the District of Columbia and others in cities throughout the country endure the difficulties involved in this area on a day-to-day basis, and we know just how serious the problem is. I'm not being critical of our local transit company; it is doing a fine job, considering the circumstances. But, the problems involved in moving a city's work force from home to the office and then back again in the evening, coupled with trips by shoppers, and automobiles and commercial vehicles pose myriad problems for city planners, traffic engineers, and transportation officials to which solutions must be found—otherwise our cities will be strangled by their own commerce.

Last Tuesday, in testimony on pending urban mass transportation legislation, Administrator Weaver said, "Our concern for urban transportation is rooted in the fact that transportation is one of the key factors in the well-being and prosperity of our urban people. More and more communities have plans and programs underway to handle their problems and to guide their development and renewal. We want to be sure that these efforts are not defeated or canceled out for lack of sound transportation plans and development."

And so, as Mr. Weaver clearly pointed out, transportation, housing, redevelopment—in effect, all urban improvement programs—are very closely tied together. I submit, it does not seem wise not to pull them together so they might be most effectively administered at the Federal level through one arm of government.

Now, if I might be permitted one personal note, 5 days ago I observed an anniversary—the end of 1 year as Public Housing Commissioner.

During this time, the low-rent program has enjoyed several milestone events, the latest being the opening of the half-millionth unit developed under the program. Some of you may have read newspaper reports of the very heart-warming ceremony, in which it was my pleasure to participate, which took place on March 28 at McKinley Houses in New York City.

But, 1962 is much more than an anniversary year for me; it is the silver anniversary year of the public housing program. In September, we will formally recognize 25 years of public service under the Housing Act of 1937. So you see, I have two very excellent reasons for reflecting on our program's accomplishments.

On the positive side, the quarter century of this local-Federal program has produced 500,000 homes and has provided decent shelter for 5 million persons who at a given time needed such housing. Today shelter is afforded to some 2 million persons, half of them children, and 124,000 elderly persons of low income.

The large proportion of children within the tenant population reflects the fact that for 19 years following the inception of the program in 1937 its basic purpose was to serve large families and young families of low income. Program activity was in response to the philosophy that the degradation and stark disadvantages of slum living must not be the environmental heritage of any segment of American youth. This is still a principal goal of the low-rent program.

Within the past decade, however, the public housing program also has focused on the needs of the growing group of older people, a movement that calls for social and economic adjustment in our country which slowly is getting underway. Long before the economic and special housing problems of our country's elderly population were recognized through legislation, the public housing program was providing homes for elderly persons who were part of low-income families and 96,000 older dwellings are occupied by this special group of low-income people. It was only as recent as 1956, however, that this program was permitted to admit the single elderly person.

Current legislation recognizes that the elderly have passed the years of peak earning power, that income has dropped sharply, that many elderly are widows or widowers and otherwise alone in the world. Congress also recognizes that properly designed housing for the elderly will make it possible to extend the independent living span, to decrease the demand for State institutions, and to more nearly achieve the goal of a healthier, happier, and more contributing older population.

At the end of 1961, more than 40,000 housekeeping dwellings were in various

stages of planning or had been built with special safety factors for the elderly.

Localities are increasingly expressing interest in developing low-rent housing for use by elderly families. Half of the applications coming into the Public Housing Administration today are for the elderly.

It is evident, therefore, that while the problem is not new and for many years a vast number of elderly persons have been tragically trapped by economics in deteriorating hearts of our cities, today the cities and citizens have recognized the problem and are giving it high priority in relation to overall housing needs. The latter years of life are becoming as significant in our community planning as the early years and this is how it should be.

While it is not a part of the city problem as we know it in Washington, public housing today is reaching two other areas of long neglected housing need: that of the American Indians on their reservations and the serious housing problem, in some sections, of the migratory workers. When President Kennedy declared that the housing conditions of the American Indian are a disgrace to our country and he proposed action to correct the situation, a large part of the burden of cure fell upon the PHA. Our investigations reveal such stark need, such abject neglect, that we are hastening to fashion the best methods and tools. It is not an easy task, but it is certainly a challenging one although the total number of dwelling units for the 35 or so tribes requesting better housing is small compared with the total program. Just as housing for the low income elderly must encompass much more than simple shelter, so too underlying psychological factors on reservations call for special understanding and techniques. We are working with the Bureau of Indian Affairs, with the Department of Labor, and with the Department of Health, Education, and Welfare, attempting to bring a coordinated and many faceted program to bear on the complex of needs.

Another area of interest is the present investigation in conjunction with public and private agencies and the answers to housing of skid row occupants, the nonelderly single persons, the families unable to pay even minimum public housing rents, those unable to get welfare aid because of noncitizenship status, and a host of unmet areas of need. Where there are unmet housing needs of low income people, both the Federal agency and the local authority must be concerned and work forward on solutions. Leadership and originality are the responsibility and not the special province of either group. Imaginative Federal leadership cannot go far beyond the imagination, courage, and desires of the local community. Imaginative local approaches can be diluted or stopped by unimaginative Federal partners.

We realize that the solutions to the problems involved in these areas of desperate housing need will not come overnight. But, the Housing Act of 1961 provided the necessary legislative tools to make a good beginning and this we have done. It remains only for Congress to perfect what it provided in the 1961 law through the establishment of the necessary administrative arm of the executive branch at the Cabinet level. We feel certain this will be done through the expressed interest of State and city officials, citizens, and members of clubs like yours throughout the country. Our Government needs it, our cities need it, but, most of all, our people need it.

URBAN MASS TRANSPORTATION

Mr. WILLIAMS of New Jersey. Mr. President, last week the Senate Housing Subcommittee favorably reported the administration's mass transportation

bill, which I had the privilege of introducing.

Extensive hearings were held on S. 3126 and I have collected a few newspaper accounts of the proceedings of the hearings, which may be of interest to other Senators. As the articles indicate, the bill received broad, bipartisan support from all over the country.

I believe the testimony at the hearings reflect a growing recognition that balanced urban transportation, including the use of transit and highways to their greatest natural advantage in coordination with each other and in coordination with plans for urban land use development, represents the most realistic and the most economical solution to the problems of traffic congestion and urban growth.

In addition, I have been gratified to see considerable editorial support for the achievement of balanced urban transportation, and I ask unanimous consent to have printed in the RECORD the various articles and editorials I have mentioned.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 25, 1962]

TRANSIT BILL RECEIVED WELL ON CAPITOL HILL

(By Laurence Stern)

President Kennedy's \$500 million program to help cure the Nation's urban transportation ills got a sunny reception yesterday on Capitol Hill.

Senator HARRISON A. WILLIAMS, Democrat, of New Jersey, sponsor of the administration proposal, said he hoped it would usher in a new era of "togetherness" between highway and transit advocates.

His views were promptly echoed by Housing and Home Finance Administrator Robert C. Weaver and Federal Highway Administrator Rex M. Whitton. They testified at a hearing before the Housing Subcommittee of the Senate Banking and Currency Committee.

The President proposed a 3-year, \$500 million program of demonstration grants to local transit systems as a means of reversing the decline in patronage and service. These grants would meet two-thirds of local net project costs.

Weaver referred to the administration proposal as the "first rather than final installment" in a program of broader Federal subsidies for urban transit operation.

"We have faced up to our long-range highway needs," WILLIAMS observed. "Now we must face up to our needs for mass transportation."

WILLIAMS and other backers of Federal aid for transit have appealed for a more balanced Government role in transportation spending. While the Bureau of Public Roads has been moving ahead with its \$4. billion interstate highway program, Congress until last year provided no money for mass transit in traffic-choked urban areas.

On the Washington area, Whitton cited the current Shirley Highway widening project as an example of coordinated freeway and transit planning. He told the committee that highway consultants for the project have been instructed "to consider as one alternative . . . inclusion of special bus lanes."

The Federal roads boss acknowledged afterward to newsmen that he is not firmly committed at present to the express bus lanes. It will depend, he said, on willingness of local transit companies to provide express service.

Congress has expressed a clear interest in seeing mass transit facilities along reconstructed Shirley.

While Whitton endorsed the administration plan for mass transit, he made a strong pitch for use of highways to meet peak-hour commuting needs.

Transit advocates, most notably WILLIAMS, envision the new program as a means of curtailing extensive new freeway construction in urban areas. They conceive of subways and other fixed rail facilities as the principal carriers of peak-hour commuters.

[From the Newark Evening News, Apr. 27, 1962]

BULK OF TESTIMONY FAVORS ADMINISTRATION'S TRANSIT BILL

(By William May)

WASHINGTON.—A Senate committee wound up 4 days of hearings on mass transit legislation today with the tide of opinion thus far running in favor of the administration's proposals as embodied in a bill introduced by Senator WILLIAMS, Democrat, of New Jersey.

The legislation was supported today by Senator KEATING, Republican, of New York; Mayor Stanley Church, of New Rochelle, N.Y., representing the U.S. Conference of Mayors; representatives of the National Association of County Officials, and the industrial union department of the AFL-CIO.

KEATING told the committee he favored the general principles of the Williams bill. He said he was opposed to any back-door financing in connection with the legislation. He also said it was important that State, county, and local control of mass transit programs should be preserved.

Church said that the mayors' group, in backing the Williams bill, wanted to make it clear that "to support improved mass transit is not to downgrade the private auto."

"Rather, we believe that the use of the private auto will become totally impractical unless we have efficient mass transit systems to permit people to move to and from their places of abode and employment," Church said.

CALLED ONLY HOPE

"Improved mass transit is the only hope for the continued enjoyment of the use of the family car. Some see the development and improvement of mass transit as a way to save the central city. My colleagues, the mayors of the suburban cities, know that our cities must also have improved transit. We need mass transit to circulate the people in and around the central city and in and around the suburbs; from the suburb to the central city and home again."

Two Governors—New Jersey's Richard J. Hughes and Massachusetts' John A. Volpe—joined Gov. Edmund G. Brown of California yesterday in supporting the bill together with New Jersey's highway commissioner, Dwight R. G. Palmer, and representatives of a number of transit groups.

The only major opposition expressed so far has been from the Farm Bureau Federation and the U.S. Chamber of Commerce. The farm group objected to additional Federal spending "for what is essentially a local problem." The Williams bill calls for a \$500 million 3-year program of Federal grants in the mass transit field.

CHAMBER OPPOSITION

The chamber's position, outlined by Dr. John H. Frederick, professor of transportation at the University of Maryland, was that the proposed mass transit program would hinder rather than stimulate improvements in bus and rail systems.

Frederick said increased Federal support would "discourage or halt" local plans to revitalize transit systems. "The evidence

clearly indicates that urban areas are generally rising to the challenge," he said.

WILLIAMS told Frederick there was "grass-roots" support for the administration proposal from a number of local chambers of commerce. To support this contention testimony was heard later in the day from Robert Jenney of the Greater Boston Chamber of Commerce who said his group "emphatically" supports the transit plans.

NEW JERSEY READY

WILLIAMS said the transit program has been endorsed by chambers of commerce in Bergen County, N.J., Pennsylvania, Philadelphia, and Brooklyn.

In expressing support for the Williams bill, Palmer said New Jersey had the comprehensive plans to take advantage of the funds which would be available through the administration program.

"The missing ingredient is—and always has been—money," he said. President Kennedy's message on transportation, Palmer told the committee, was greeted "with considerable elation by those of us who firmly believe in mass transit."

"In anticipation of the success of this measure, which our Senator WILLIAMS introduced, we in New Jersey have prepared legislation, which we hope will be enacted promptly, which will enable us to submit proposals and participate in demonstration and improvement programs approved by the Housing and Home Finance Agency, meeting our share of the cost," Palmer said.

"We ask with the greatest sense of urgency that the legislation which you are considering be expedited," Hughes said in a statement submitted to the Banking Subcommittee by Palmer.

[From the St. Louis Post-Dispatch, May 13, 1962]

HEARINGS SHOW SUPPORT FOR TRANSIT AID TO CITIES

(By Thomas W. Ottenad)

WASHINGTON, May 12.—When Mayor Raymond R. Tucker of St. Louis appeared here this week to plea for Federal help in solving the problems of mass transportation that are vexing American cities, he apparently spoke for many people throughout the country.

Three weeks of congressional hearings, ended yesterday, have disclosed broad support for such action. From major organizations representing business, labor, and public officials has come strong indorsement for a bill that would establish a 3-year, \$500 million program of loans and matching Federal grants to States and local communities. The money could be used for constructing, acquiring or improving mass transportation facilities either through direct public action or through assistance to private concerns in financing capital improvements.

The only major opposition to the new legislation, which would expand and revise a more limited Federal aid program passed last year, has come from the American Farm Bureau Federation and the U.S. Chamber of Commerce. Both opposed entry by the Federal Government into what they regarded as a purely local field. Several other groups, representing automobile and highway interests, have taken no public position on the measure.

Supporters of the bill are confident Congress will approve it this year. Senator HARRISON A. WILLIAMS, Jr., Democrat, of New Jersey, sponsor of the measure in the Senate, said he had been assured by the Senate leadership that the bill will have a high priority for action at this session. Representative ABRAHAM J. MULDER, Democrat, of New York, author of a companion bill in the House, said chances there are excellent.

Whether the program will get the full \$500 million appropriation being sought is open to question. In enacting last year's

bill, Congress authorized expenditures up to \$75 million. Under leadership of the economy-minded House Appropriations Committee, however, it actually appropriated only \$42,500,000.

People who feel that fast bus or rail service is essential in crowded urban areas have accumulated dramatic evidence of what traffic snarls are doing to American cities. For example, it has been estimated that traffic jams cost the Nation about \$5 billion a year in lost time and wages, extra fuel consumption, faster depreciation of vehicles, lower taxes, and reduced sales in downtown commercial areas.

Equally impressive are the warnings of worse to come if effective steps are not taken. Mayor Ivan Allen, of Atlanta, Ga., told a Senate subcommittee that unless his city develops a satisfactory system it will need 120 new highway expressway lanes radiating from the downtown area by 1970. The amount of land, homes, and trees that such highways would gobble up would have serious effects on the community.

The danger of relying on automobiles alone for mass transportation was emphasized by a recent survey in the Nation's Capital. It found that by 1980 the area would require so many highway lanes that residential communities and the entire character of the central area of the city would suffer excessive damage.

A frequently heard argument against expanding mass transit operations is that people prefer automobiles and will not use public systems, no matter how attractive they are. Not so, says Senator WILLIAMS. He points out that the number of persons riding transit lines in New York, Boston, Philadelphia, and Chicago rose sharply after service was improved.

The Federal-aid program enacted last year has had only limited use so far. Only one grant, an allocation of \$224,000 to Detroit, has been made. Supporters say restrictions in the bill have prevented more widespread use. Loans offered under the measure have not been effective, because many hard-pressed transit systems could not afford them, it was said. A prohibition against using grants for long-term, major capital improvements also is credited with hampering the program.

The new bill is intended to overcome these difficulties, principally by offering grants, rather than loans, to improve mass transit operations. Costs of capital improvements would be shared. Part would be financed out of operating revenues of the transit system. The portion that could not be paid in this way would be met out of public funds, the Government contributing two-thirds, local agencies one-third.

Senator WILLIAMS is confident the plan will trigger a burst of local activity aimed at making bus service and other transit systems more useful and attractive.

[From the New Brunswick (N.J.) Home News, Apr. 27, 1962]

PRESIDENT'S TRANSIT PROGRAM ENDORSED

WASHINGTON.—Dwight R. G. Palmer, New Jersey highway commissioner and transit official of Morris County, N.J., were among a group of witnesses heard yesterday in support of President Kennedy's \$500 million mass transit subsidy plan.

Gov. Richard J. Hughes, of New Jersey, and Massachusetts' Gov. John A. Volpe also backed the bill in statements submitted to the Senate Housing Subcommittee.

A major dissenting voice at the hearing was that of the U.S. Chamber of Commerce, which contended that mass transit is a local problem and that Federal funds should not be poured into its solution.

NEED PUBLIC FUNDS

Senator HARRISON A. WILLIAMS, Jr., Democrat, of New Jersey, entered a quick re-

buttal to the chamber's position, saying it erred in claiming the Kennedy program would encourage Government operation of local transit and commuter service.

"Without public funds to fill the gap between the shrinking financial abilities of the private carriers and the growing needs of the metropolitan areas, the demise of private enterprises will become all but inevitable," said WILLIAMS, who introduced the President's plan in the Senate.

The national chamber's stand, he said, was in conflict with the support local chambers of commerce voiced last year for a mass transit program. He said the chambers of Pennsylvania, Bergen County, N.J., Boston, Atlanta, Philadelphia, and San Francisco favor Government action.

Many of the witnesses supporting the legislation said in effect that mass transit has become a losing proposition in most cities and that subsidies are essential to keep it alive.

COST GOING UP

Palmer said New Jersey now spends four to five times what it did a few years ago for highways, but that it is "clear that highways alone cannot meet the total travel needs."

He told the Senate group that New Jersey has created a railroad transportation division in its highway department and the new agency is working on plans to save and improve rail transit in the New York and Philadelphia commuting areas.

"We are counting on the availability of Federal funds to assist the carrying out of our recommendations," he said.

"The missing ingredient is—and always has been—money," said Palmer.

"The railroads in New Jersey are in no position to expend large sums of money to improve a service, the losses from which constitute a constant drain on their resources."

RECOMMENDATIONS ENDORSED

"Our State is limited in avenues of taxation and many other worthwhile and urgent requirements exist drawing heavily on all tax resources."

"It was with considerable elation, therefore, that the President's message on transportation was reviewed by those of us who firmly believe in mass transit."

"We endorse the President's recommendations in respect to this bulwark of our economy, mass transportation, and are looking to it to find the financial assistance that we need to initiate the needed improvements."

Witnesses from Morris County, as well as others from Massachusetts commuting areas, indicate that while they support the proposed Federal program, they disagree with plans put forward by local and State agencies.

The vice chairman of the Morris County Board of Public Transportation, F. T. Richardson, of Mendham, N.J., was critical of proposals by the State division of rail transportation.

The division, he said, "Wants to have all trains diverted from a long-established route to an interior line, so that it may then buy the line, tear up the tracks on about 7 miles of heavy duty, taxpaying, main line railroad and construct on the right-of-way a fabulously expensive, tax-dollar-eating super-highway."

[From the New York Times, Apr. 25, 1962]

TRANSIT AID PLAN PUSHED IN SENATE

(By Peter Braestrup)

WASHINGTON, April 24.—The administration opened its campaign today for congressional endorsement of a \$500 million program to help cities and towns develop better commuter trains, buses and subways.

Leading off in testimony before the Senate Housing subcommittee were Robert C. Weaver, Administrator of the Housing and

Home Finance Agency, and Rex M. Whitton, Federal Highway Director.

Mr. Weaver emphasized that experience under a limited \$75 million program enacted last year "convinced us that major capital expenditures for mass transportation in most instances cannot be supported entirely from the fare box."

The administration's new 3-year program, Mr. Weaver said, would pay two-thirds of the costs of major capital improvements. The fare box would take care of operation expenses, he added.

He said Federal loans had been found to be impractical under the present limited loan-grant program. Most transit systems, he commented, "are not going to be able to pay back the loans out of the fare box."

John C. Kohl, head of the Housing Agency's Office of Transportation, said inquiries on or requests for transit aid had been received from 152 cities in 37 States.

A \$200,000 "demonstration grant" has been awarded to Detroit to help improve its bus service. No loans have been granted.

EXPERIMENTATION HELD VITAL

Mr. Weaver acknowledged that "we still don't know what people want; the people themselves don't know what they want." Hence, he said, a \$10-million-a-year budget for experimentation with various types of service is vital.

Mr. Whitton conceded that most city transportation programs had been "highway-oriented" because of a lack of Federal financing for other modes of transportation.

In most urban areas, Mr. Whitton said, more than 85 percent of daily travel is by car, and about 75 percent of transit travel is by bus. In the largest cities, he said, 40 to 90 percent of rush hour traffic is handled by mass transit, including buses.

"While I believe that the great bulk of the trips in urban areas will continue to be handled by automobile," he said, "I recognize that public mass transit performs an important function."

The administration's bill should correct the present "imbalance" in favor of autos, he declared.

Mr. Whitton indicated that his agency, the Bureau of Public Roads, was working with the HHFA on the possibilities of reserving lanes on new superhighways for commuter buses during rush hours.

Unlike the non-Government witnesses, neither Mr. Weaver nor Mr. Whitton volunteered support for a controversial amendment to the administration bill introduced last Thursday by Senator HARRISON A. WILLIAMS, New Jersey Democrat.

Mr. WILLIAMS, principal sponsor of the measure, presided over most of today's hearing in the absence of JOHN J. SPARKMAN, Alabama Democrat, who has been attacked by the chairman.

His amendment provoked conservatives as "back-door spending." It would give the Housing and Home Finance Agency "contract authority" to make advance commitments for aid to local public transit authorities over a 3-year period without having to go to Congress each year for an appropriation.

This financing method is used in urban renewal aid and other long-range Federal housing programs.

However, the Budget Bureau has opposed such new contract authority. It argues that "forward funding," or advance appropriations, can provide the same flexibility.

Moreover, administration officials expressed belief that a back-door spending issue would kill the bill's chances in the House. Mr. SPARKMAN predicted that the bill would pass the Senate.

The Williams amendment was endorsed by several witnesses, including spokesmen for the three-county San Francisco Bay area rapid transit district.

[From the New York Times, Apr. 27, 1962]
TWO GOVERNORS BACK TRANSIT AID BILL
 (By Warren Weaver)

WASHINGTON, April 26.—The Democratic Governor of New Jersey and the Republican Governor of Massachusetts today joined the ranks of supporters of the Kennedy administration's \$500 million urban mass transportation program.

Gov. Richard J. Hughes told a Senate Housing Subcommittee that Federal-State cooperation on transportation planning was needed in New Jersey or "our highways, rails and indeed our economic life will reach the point of strangulation not too many years in the future."

Gov. John A. Volpe of Massachusetts called for speedy adoption of the transit plan "not only because of its beneficial effects on mass transportation but also because it insures that our Federal and State highway programs will successfully carry out their purposes."

Neither Governor was present at the hearing, both submitting their views in statements that were buttressed by groups of witnesses from the two States.

At the same time, the plan to provide Federal aid for mass transit facilities that cannot be self-supporting on fare revenue ran into strenuous opposition from the U.S. Chamber of Commerce. Only one other group, the American Farm Bureau Federation, is on record against the program.

CHALLENGED BY WILLIAMS

The chamber of commerce position was challenged, first by Senator HARRISON A. WILLIAMS JR., Democrat, of New Jersey, the principal sponsor of the transportation bill.

Appearing for the chamber of commerce was Dr. John H. Frederick, professor of transportation at the University of Maryland. He said that mass transportation was not "a broad national problem" that justified spending the taxpayers' money.

Dr. Frederick also argued that establishment of a Federal-aid program would discourage local efforts to solve transportation problems by the metropolitan areas themselves.

In response, Senator WILLIAMS maintained that a number of local chambers of commerce favored the legislation. He said that it would take far less Federal money to aid the transit systems than to build expressways to attempt to handle the same traffic, if that were possible.

As for the chamber's charge that the Federal assistance was not needed, Mr. WILLIAMS declared that "there are tons of studies of mass transportation in the New York metropolitan area gathering dust for lack of funds."

The administration program would make \$500 million available over a 3-year period to meet up to two-thirds of the part of the cost of expanded urban mass transit facilities that could not be covered by their fare revenues.

[From the Washington Evening Star, Apr. 24, 1962]

MASS TRANSIT AID BILL SEEN PASSING SENATE

Senate passage of President Kennedy's \$500 million mass transportation grant program was predicted today by the Senate Banking Committee chairman.

As he opened hearings, the chairman, Senator SPARKMAN, Democrat, of Alabama, urged both transit and highway experts to cooperate to move more people faster.

Robert C. Weaver, Housing and Home Finance Administrator, assured the Senate committee that the President's transportation bill was firmly grounded on close working relationships between transit, highway, and housing officials.

Rex M. Whitton, Federal Highway Administrator, also promised that old "battle lines"

drawn by highways versus mass transit had been abandoned.

"I am sure you share our terror at trying to meet peak traffic needs in American cities with the automobile alone," Senator WILLIAMS, Democrat, of New Jersey, said. He has introduced the President's bill with 20 cosponsors, both Democrats and Republicans. "I thoroughly agree," Mr. Whitton assured him.

SHIRLEY HIGHWAY CITED

The highway administrator said Shirley Highway in nearby Virginia was an example of cooperative planning for automobile and transit movements, as contemplated in the President's program.

Congress authorized a widening of Shirley to eight lanes last year. The Public Roads Bureau consultant planning the highway has been instructed to consider the inclusion of special bus lanes, Mr. Whitton testified.

Later he told reporters he could not guarantee a transit lane on Shirley. But "we are working toward that possibility," he added. The National Capital Transportation Agency wants the transit lanes and has hired its own consultant to analyze the Shirley job. Mr. Whitton said the consultants were cooperating.

The major provision of the President's bill is a 3-year authorization of \$500 million to State and local governments. The money would finance construction and purchase of mass transportation facilities, including land, parking lots, buses, signal equipment, stations, and terminals. The Federal share would be two-thirds of the total cost.

LOANS ALSO PLANNED

Also provided would be loans limited to \$50 million, a \$10 million research program, uniform payments of relocation expenses to persons displaced by a transportation project and planning grants.

Acceptance of the President's bill would recognize mass transit needs for Federal support as highway needs are now recognized.

Mr. Weaver said the President shifted to grants from a temporary loan program cleared by Congress last year because of economic necessity.

Loans help some small communities, Mr. Weaver said. In larger cities, however, he said money from the "fare box" could not cover costs of urgently needed transportation. So loans could not be repaid from current receipts, he reasoned.

[From the Newark Star-Ledger, Apr. 22, 1962]
TOP U.S. OFFICIALS TO TESTIFY FIRST ON MASS TRANSIT BILL

WASHINGTON.—Top Federal officials will be the leadoff witnesses Tuesday at the opening of a Senate hearing on the administration's \$500 million mass transit bill.

Rex Whitton, Federal Highway Administrator, is expected to be called to the stand first and be followed by Robert Weaver, Housing and Home Finance Administrator.

Senator HARRISON A. WILLIAMS, who introduced the measure, predicted that the bill will get broad bipartisan support and with other leading Democrats, he predicted its passage.

The hearings will be held by the Senate Banking and Currency Committee and will be open to the public. They will continue throughout the week and be followed by House hearings which will continue for 2 additional weeks.

Senator WILLIAMS announced that Senator CLIFFORD P. CASE, Republican, of New Jersey, a cosponsor of Federal transit legislation, will testify Wednesday, and Dwight Palmer, New Jersey highway commissioner, will be a witness the following day.

"NEW COOPERATIVE ERA"

Senator WILLIAMS termed the appearance of Weaver and Whitton a "significant demonstration that we are entering a new era of

cooperative effort to insure that both highways and transit achieve their maximum potential in meeting our growing urban transportation needs and contributing to more rational and effective forms of urban transportation."

WILLIAMS said the transit bills are aimed at producing coordinated urban transportation. His bill calls for a \$500 million Federal program over a 3-year period.

"People are rapidly coming to recognize the stark economic truth that if we don't do something soon to preserve essential mass transportation to help meet rush hour travel in urban areas, we will be forced into simply incredible expenditures to move the rush hour traffic by automobile," the Senator declared.

Extensive highway construction in cities, he indicated, leads to inevitable injuries from family dislocation to the replacement of commercial and cultural activities with downtown parking facilities."

PROVISIONS LISTED

WILLIAMS, backing the balanced transportation concept, pointed out "there are some jobs that highways simply cannot perform except at prohibitive costs and damage to heavily built-up urban areas."

The major provisions of the administration's bill are:

A continuing matching grant program with an initial 3-year authorization of \$500 million to State and local governments for the construction and acquisition of mass transportation facilities and equipment such as land, right-of-way, parking facilities, buses, rail rolling stock, signal equipment, stations, terminals, and so forth. The Federal share would be two-thirds of that portion of the cost that cannot be financed by revenues from the system.

The grants would be contingent on the development of a program for coordinated transportation within a comprehensive plan for the development of the urban area.

An emergency program limited to 3 years of 50-50 grants where there is an urgent need for the preservation or provision of mass transportation facilities, and where the comprehensive program is being actively developed.

A \$10-million-a-year research and development program in the field of mass transportation, with emphasis on new technology.

Payment of relocation expenses, similar to those paid under the urban renewal program, for families and business displaced by a mass transportation project.

A continuation of the existing \$50 million loan program, scheduled to expire at the end of 1962.

[From the Elizabeth (N.J.) Daily Journal, Apr. 24, 1962]

SENATE COMMITTEE SEEKS TRANSIT KEY

Senatorial hearings are underway in Washington on a vast and intricate situation—the confusion and the failure of mass urban transport. This is a process of strangulation clutching at the New Jersey-New York metropolis and practically every other major center of population and activity across the country.

The White House has proposed that the Federal Government intervene; New Jersey's two Senators, Mr. CASE and Mr. WILLIAMS, have offered texts of helpful measures; other legislators have acknowledged this to be a primary trouble zone, and spokesmen from many State capitals and city halls have appealed for action in Washington.

Consequently, the hearings, with an abundance of proposed laws and an encompassing array of data, hold great promise.

From the White House and on both sides of the aisle in the Senate appears recognition that mass transit is far more than the controversy of rubber versus rails; that its

needs exceed the capacity of most afflicted cities; that frequently it transcends even State lines. No longer is it a purely local matter; whatever is to be done must be done big.

In another two decades more than half of the Nation's people will be concentrated in 40 urban complexes of deteriorating centers, new marketing concepts, congested and scattered residential districts. No space would be available for the highways necessary for transit and transport, if rail movement ceased. The railroads, however, are failing simultaneously for fiscal reasons.

New Jersey, Philadelphia, Massachusetts, and Chicago are testing expedients to preserve rapid transit; New York City and New York State are pouring millions of dollars into resuscitation of subways.

From this background, the administration proposes far more direct participation by the Federal Government, both in the determination of policy and by staggering appropriations to be expended in coordination with State and local governments, as far as they are able, to provide both railways and highways. Neither alone can suffice.

The purpose of the Senate hearings is to find among the welter of bills, statements by experts and officials, surveys and testimony the substance of legislation that can activate the intent of the administration and best serve the harassed communities it will reach.

The urgency of action is recognized fully here and across the river and in many other cities. Congressional progress can be impeded by the indifference of places not affected by choked traffic arteries. That cannot be tolerated.

[From the New Brunswick (N.J.) Daily Home News, Feb. 3, 1962]

TOWARD NEW TRAFFIC TACK

The country's mass transit systems do not appear to have made much headway yet under programs set up to help solve their problems.

In many modest size communities the problem is that public transportation has disappeared altogether. In the bigger centers, the problems are to cope with growth and keep afloat financially.

The 1961 Housing Act provides certain funds for transit planning, for demonstration grants, and for loans for development of transit facilities and equipment. Though the authorizations were larger, last minute congressional maneuvering imposed restrictions whose effect is to limit the program to \$42 million.

As might be expected, little has been done to implement these provisions in the few short months since passage. A new unit in the Housing and Home Finance Agency is largely in the organization and policy statement phase.

Meantime, the harsh facts pile up. Communities keep on growing, their existing facilities are overburdened, and they find themselves laying out—or contemplating—immense sums for street and highway improvements to handle the swelling motor traffic.

Many surveys of the transit problem wind up with the conclusion that some kind of rapid rail transit, combined where it is practical with regular railroads' commuter service, is the real key to the future.

In numerous cases where rapid transit lines are either inadequate or nonexistent, the prospective cost obviously could be high.

Where expanded commuter service is thought sensible, the question is how the railroads involved can meet the losses that seem inevitably to accompany commuter operations.

Analysts dealing with the problem in the Senate hint that the country, the States, and the cities may simply have to face the

prospect of deficit financing for transit systems.

One view is that, unhappy as this prospect may be, it has to be set beside the incredible cost of street and highway programs—and the added fact that many new roads are heavily congested almost from the moment they open.

Philadelphia plans one expressway whose 22 miles would cost \$300 million. The New Jersey Turnpike, 118 miles long, cost \$255 million in 1951.

The barriers to more and better rail transit are formidable. But the motor traffic alternative keeps looking worse and worse. The start is slow, yet painful logic may be pushing us steadily toward transit systems on a big scale.

[From the Business Week, Apr. 14, 1962, as reprinted by Passenger Transport, Apr. 27, 1962]

In a long and dreary history of studies and reports on transportation, President Kennedy's latest message to Congress is unique. Never before have the intricate problems that have grown with our transportation industry been tackled so comprehensively and boldly. And never before has the industry had such an opportunity for the complete overhaul it so desperately needs.

Broadly speaking, the President's recommendations would remove much Federal regulation and subsidization from intercity public transportation. They would put the different carriers on a more equal footing, allowing each to fight for traffic under rules that were the same for all.

Passenger fares would not be kept high to support the weakest carriers. Trunk airlines would not be eligible for Federal subsidy, to bail the poorest out. And subsidies for local service and helicopter airlines would be reduced. Finally, taxes amounting to "user charges" would be imposed on airlines and inland waterway operators to help recover the Government's capital and maintenance costs.

The net of all this would be an industry left more to its own devices and to the laws and consequences of competition in order to cure its own ills. There would necessarily be a period of painful confusion. Many of the weaker carriers would necessarily fall by the wayside, with only their viable segments being purchased by the strong. But after this period had passed, the industry would, in the President's words, be made "fit, lean, and progressive by vigorous competition and innovation."

Competition, however, cannot be expected to solve the problems of urban transportation. In many areas, public transportation is disappearing because the people who use it and benefit from it either can't or won't pay the full costs. Unpleasant as it is to have the Federal Government moving into the local transportation business, this is often the only authority willing to do the job. But here again, the President's message shows wisdom. Grants and loans would be made only to cities that take the initiative of setting up long-range planning bodies. Furthermore, the plans must first be integrated so that the previously competing forms of mass transportation would complement each other.

As the debate over the President's proposals progresses, it may develop that some of them can be dropped or modified. But as a broad philosophy, a body of principles to guide the formulation of a new transportation policy, they offer the ailing industry the only real solution to an otherwise impossible situation.

The political and emotional bickering attendant on any proposed transportation legislation must not be allowed to relegate President Kennedy's message to the same dusty shelf where reside so many previous

transportation reports. The opportunity for a cure is too great; the consequences of continued inaction are too evident.

[From the New York Times, Apr. 11, 1962]

PLANNED URBAN TRANSIT

By 1980 more than half of the country's growing population is likely to be concentrated in 40 great urban complexes. Many smaller cities will also undergo spectacular expansion. The danger that these population centers may suffocate through inadequate or ill-planned transportation facilities has prompted the program for Federal aid to urban mass transit that President Kennedy put forward in his recent message to Congress on national transportation problems.

The program is based on the sound premise that long-term aid should be authorized only for projects that are part of a unified or coordinated transportation system geared to a comprehensive plan for development of an urban area. In recognition of the urgent needs that now exist in many communities, the Kennedy proposal also would allow emergency grants to keep existing mass transportation facilities operating while an official long-range plan was in preparation.

The merits of the urban transportation program are so compelling that it ought not to be held up by the much fiercer debate that is likely to rage over the President's recommendations for overhauling the regulatory and subsidy structure governing railroads, airlines, waterways and other carriers. The urban transit plan can and should be separated from the rest of the message in congressional consideration. The problems of the cities are multiplying too rapidly to permit indefinite delay in a Federal contribution to their solution.

[From the New York Times, Apr. 22, 1962, as reprinted by Passenger Transport]

URBAN TRANSIT IMPROVEMENT

Democrats and Republicans in Congress appear agreed that a satisfactory version of the administration's \$500 million mass transit bill will be approved this year. Passage cannot come too soon for anyone who has spent weary hours in bumper-to-bumper traffic on suburban highways, circled endlessly in search of a nonexistent downtown parking place or scrambled for a commuter train that was dropped from the timetable last week.

The outlook for speedy action has been brightened by the ending of a long wrangle over jurisdiction and concept between the Commerce Department's Bureau of Public Roads and the Housing and Home Finance Agency. A meeting of the minds has been reached on joint planning to insure balance in improving rail and highway facilities.

With the number of motor vehicles in the country expected to increase by 50 percent in the next 15 years and with traffic jams already costing an estimated \$5 billion in annual economic waste, Congress will be making a contribution to the country's progress and its peace of mind by moving promptly on a coordinated approach to urban transit improvement.

[From the Asbury Park (N.J.) Evening Press, Apr. 23, 1962]

BARNES ON MASS TRANSIT

Having for years pointed to the need for improved mass transportation, this newspaper is gratified to hear Henry A. Barnes, New York City's traffic commissioner, call for more adequate mass transit facilities to relieve traffic and parking problems within the cities.

It has long been obvious that this country can never build enough highways and parking lots to permit everyone to enter and leave congested metropolitan areas by pri-

vate automobile. With all of the vehicular bridges and tunnels and expensive approaches leading to New York City, for instance, it would be impossible to transport commuters to the city without railroads and subways. But even were there sufficient facilities to permit every commuter to enter the city by private car, there is no room within the city to move and park these automobiles. In fact, the prevailing load of vehicular traffic in New York and many other cities is already strangling them.

When one train passing through the city can transport as many persons as hundreds of automobiles it is obvious that the only solution lies in improved mass transit. Otherwise street traffic and parking will choke the urban centers to the point where all productive enterprise will perish.

Mr. Barnes complains that former parks commissioner, Robert Moses, built many fine parkways "to the edge of Manhattan Island and left them there." Thus it becomes necessary to provide facilities for bringing people into the city. And, as Mr. Barnes observes, "It is a whale of a lot cheaper to subsidize public transportation than to build highways."

Mr. Barnes has contributed his expert opinion to the great mass of evidence showing the need for improving our public transportation system, especially in urban areas where there is neither room for more highways and parking lots nor the funds to finance them. For years now too much emphasis has been placed on highway construction while too little attention has been given to the improvement of mass transit. And as a result our system of public transportation, as the deterioration of the railroads demonstrates, is near collapse. It is late, but not too late, to reach a balance between private and mass transit and salvage and improve railroads and other rapid transit facilities to the point where they are equipped to do the job that only they can do.

[From the Washington Post, Apr. 26, 1962]
FUTURE OF OUR CITIES

The idea of increased Federal responsibility for future growth trends of American cities is winning a favorable response in Congress. One reason for this seems to be the persuasive report recently submitted to the President by Secretary of Commerce Luther H. Hodges and Administrator Robert C. Weaver of the Housing and Home Finance Agency. The reasoning behind this report helped to shape the President's recent message to Congress on transportation, and it should now guide Congress in the shaping of legislation that will modify the transportation systems of large urban communities. The growth of our cities in the decades ahead will be determined in large measure by their transportation facilities, and these in turn will be determined in large measure by Federal assistance programs.

The Hodges-Weaver report forecasts that by 1980 some 140 million people will be living in 40 great urban complexes with more than 1 million population each. Most of the country's rapid growth is taking place in urban centers, but in the suburbs rather than in the central cities. The cities have scarcely begun to cope with the transportation problems resulting from this astonishing spread of urbanization. Indeed, problems of transit have been multiplied in many cities, for the trend in recent years has been away from mass transit to greater use of private automobiles. The survey showed that in most urban areas "over 85 percent of the total daily travel is by automobile."

It is not surprising in these circumstances that the emphasis of the current report should be on Federal aid for mass transit. Of course no drastic shift from urban freeways to rail lines for commuters is contemplated.

The necessity for continued large-scale aid for better urban highways is fully recognized. In many instances improved public transportation will take the form of modern buses operating on loops and expressways. What the new policy does insist on is comprehensive planning for all transportation requirements while the highways program goes forward.

If the recommendations of this report are accepted, each city seeking Federal aid for highways will have to demonstrate to the Secretary of Commerce by 1965 that its projects are consistent with a balanced transportation system for its entire metropolitan area. To encourage increased reliance on mass transit, this report also recommends grants totaling \$500 million over a 3-year period to finance up to two thirds of the cost of public transportation systems. Grants and loans would be made only to local public agencies, but they could arrange for private operation of transit lines if they should so desire.

Messrs. Hodges and Weaver clearly recognize that mass transportation is not likely to pay its own way. Large-scale public intervention is justified as a means of saving cities from slow strangulation on one hand and partial destruction through the proliferation of freeways on the other. We have no doubt as to the necessity of this program if our cities are to become desirable places for future generations.

Several other aspects of the report are important. It contemplates sustained research into ways and means of meeting urban transportation problems, continuous community planning in the light of transportation needs, and more adequate assistance for the families who are displaced by highway and other improvements. The report estimates that 85,000 urban families are forced to move each year by public action, much of it assisted with Federal funds. Certainly Federal aid for relief of these families is an essential part of the comprehensive planning that this program calls for.

[From the Philadelphia Inquirer, Apr. 27, 1962, reprinted in Passenger Transport, May 11, 1962]

MASS TRANSPORTATION

Those who object to the use of public funds for mass transit facilities should take a good, hard look at some of the alternatives.

A Senate banking subcommittee has been exploring this area during its consideration of President Kennedy's plan to provide \$500 million in Federal grants over a 3-year period to help cities meet up to two-thirds of the capital cost of mass transit improvements that could not be supported by fare revenues.

What will happen in our big cities if transit facilities are not adequately available? Some of the witnesses before the committee have painted a picture of mounting motor traffic and pyramided highway construction to accommodate it that is horrible to contemplate.

Senator CLAIR ENGLE, of California, said that experts estimate it would soon require 90 highway lanes to handle traffic moving into San Francisco from the south. Transit-deprived Los Angeles is coping with a staggering problem of finding more space for new highways.

Mayor Ivan Allen, Jr., of Atlanta, predicted that by 1970 his city would require 120 expressway lanes to move traffic in and out if no supplementary mass transit facilities are developed.

It has been previously estimated that the expenditure of \$31 billion would be required to build the necessary extra highways should the rail commuter lines serving Philadelphia, New York, Chicago, Boston, and Cleveland

be abandoned. Additional highways for displaced Pennsylvania Railroad commuters in this city and New York would cost at least \$1 billion alone.

The requirements of a highway program, to handle increasing traffic would be of such tremendous proportions, Mayor Allen warned the Senators, that it could bankrupt every level of government.

It seems strange that some of the opponents of public appropriations for mass transit projects have found no fault with vast grants of taxpayers' money for highways and parking garages. And it is not only the high cost in dollars of such construction that is material but the cost to the cities in traffic saturation of their streets and the encroachment on their living space of multiplex highways and parking lots.

The relatively small amount allotted by the city of Philadelphia for its various commuter rail operations, and the proposed appropriations to provide similar projects in the adjacent counties, fade into insignificance alongside the great sums and land space that would be required for new highways should the rail lines in this area go out of business.

The city of Philadelphia has spent many millions to establish and improve high-speed transit systems here. That expenditure can hardly be dismissed as unnecessary and extravagant subsidy. Neither can the plans now in the making in this and other cities for imperatively needed mass transportation.

[From the Atlantic City Press, Apr. 27, 1962]
MASS TRANSPORTATION LEGISLATION

Hearings in Washington this week are developing strong bipartisan support for urban mass transportation legislation.

The hearings are being held by the Senate Banking and Currency Committee's Subcommittee on Housing. New Jersey Senators CLIFFORD P. CASE and HARRISON A. WILLIAMS are among those directing their efforts toward improved mass transportation services in metropolitan areas.

Both are actively backing the administration's mass transportation proposals. The program was put forward by President Kennedy in a recent message to Congress on national transportation problems.

The program is based on the premise that long term aid should be authorized only for projects that are part of a unified or co-ordinated transportation system geared to a comprehensive plan for development of an urban area. President Kennedy's proposals would allow emergency grants to keep existing mass transportation facilities operating while an official long-range plan was in preparation.

Senator CASE has a bill of his own, the purpose of which is to make the most effective use of whatever highway and new mass transportation funds the Congress allows.

The President would authorize the Secretary of Commerce to withhold highway funds until assured that proposed projects have been brought into harmony with plans for rapid transit systems and other aspects of urban planning. CASE proposes to lodge a similar authority in the Administrator of the Housing and Home Finance Agency.

Both are trying by somewhat different means to assure advance planning that will prevent, insofar as possible, workings at cross-purposes where transportation needs are concerned.

Senator WILLIAMS initiated a program of Federal planning grants for mass transit facilities which was enacted into law as part of the Housing Act of 1961. He says the administration proposals will broaden this program.

It's gratifying to know both Senators are keenly aware of the problem and determined to do something about it.

[From the Asbury Park (N.J.) Evening Press, Apr. 30, 1962]

TRANSIT PLAN IS SOUND

It will be difficult to develop any tenable opposition to President Kennedy's mass transportation plan. Even should it be found advisable to alter details of the program, its basic soundness and the pressing need for it should assure rapid adoption.

The President's proposal is aimed at salvaging the deteriorating mass transit systems that jeopardize the economy of most metropolitan areas. In the effort to provide adequate, modern service it appropriates \$500 million in public funds to improve facilities and service and it calls for research and planning to integrate them into an efficient system.

If there be any other way to reach this objective we have not heard of it. New Jersey has tried valiantly through subsidies to maintain adequate rail service, especially for its thousands of commuters, but the State cannot alone do the job. The only solution thus lies in Federal assistance that will supply the funds and the leadership needed to rehabilitate our mass transit system, especially in urban areas.

No one any longer questions the need for first-rate mass transit. Despite the billions spent on urban highway development it is obvious that private automobiles cannot carry hundreds of thousands of commuters daily into and out of metropolitan centers. Not only is it impossible to build sufficient highways, bridges, and tunnels for this purpose but there would be no place in which to park the cars of commuters could they gain access to such congested areas as New York City. In fact, the construction of adequate highways to carry all traffic to New York, San Francisco, Los Angeles, and most other metropolitan centers would require the confiscation of hundreds of square miles of residential and commercial developments for the necessary rights of way. With this sort of transportation system there would be little room for anything else.

With the need for mass transit thus established, a means for providing it must be adopted. Obviously the railroads are not financially able to do it. Highway competition, high taxes, and declining revenue have forced them to curtail rather than expand service. Nor can the States supply sufficient revenue for an adequate urban transit system, especially when it must cross State lines. Thus the only hope lies in the Federal assistance that Mr. Kennedy's program proposes.

Fortunately New Jersey is in the forefront in the battle for improved mass transportation. For years Senator Case has called for coordinated Federal assistance. Senator WILLIAMS is aggressively sponsoring the President's program in the upper House. Governor Hughes has supported the bill and Highway Commissioner Palmer has testified before a Senate committee to urge its adoption. With such effective support the program should be promptly adopted so that our mass transit system can be rehabilitated before it collapses.

MASS TRANSPORTATION BILL—WJRZ RADIO EDITORIAL, WEDNESDAY, APRIL 25, 1962

New Jersey has a vital interest in the hearings on the administration's mass transportation bill which started before a Senate subcommittee. The bill was introduced by Senator WILLIAMS. Under the bill, the Federal Government would initially make \$500 million available over a period of 3 years to State and local agencies. The Federal Government would match State and local money on a 2-to-1 basis.

After the current Senate hearings are concluded, the House will conduct its own hearings.

The passage of the bill is a prime requisite to New Jersey's continued development. As

Senator WILLIAMS testified yesterday, the population of New Jersey will increase by 39 percent in the next 13 years, and the increase in motor vehicle registrations will be 47 percent.

Under present budget limitations, the State would fall short by \$1 billion of funds necessary to maintain a highway system adequate to meet the increase in people and autos.

More important is the lack of funds with which to develop and increase mass transportation facilities not dependent upon the private auto. In the past decade, the mass transportation facilities of northern New Jersey, such as they were, have deteriorated completely.

We are just beginning the long fight back. The acquisition of the Hudson & Manhattan Railroad by the port authority is the first of a long series of vital projects.

Most important of all is the need for a comprehensive plan to develop all mass transportation or devices—railroads, buses, helicopter service, monorail systems, rights-of-way, and terminal and parking facilities.

Let's begin now to plan the intelligent use of funds which may become available to northern New Jersey.

[From the Plainfield (N.J.) Courier-News, May 7, 1962]

THE RAILROADS

In the opinion of Roger H. Gilman of Plainfield, who is executive director of the Tri-State Transportation Committee, the effort in behalf of commuter railroad transportation has turned a corner in the right direction. This is good news.

At the present time, the administration's transportation bill in Washington has the strong support of Senators CASE and WILLIAMS, both of New Jersey. They are keenly aware of the need for a coordinated plan of highways and railroads. The proposed bill suggests less Federal regulation and more opportunity for the free enterprise system to function.

In Trenton, the Division of Railroad Transportation, New Jersey Highway Department, under Commissioner Dwight R. G. Palmer, has recognized that "practical down-to-earth action is vital—and now, not tomorrow." In a recent report, the State department indicated that it is working toward, and has asked legislative support for, a modern rail system that will meet the needs of New Jersey residents and its industrial and business life. One of the State's objectives is faster and more convenient service to Newark and New York from the Westfield-Plainfield-Somerville corridor. Use of the Hudson and Manhattan Tubes under the Hudson River is part of that future plan.

Gilman, working to help solve the problem in the New York, New Jersey, and Connecticut area surrounding New York City, says that his committee has close liaison with both the Federal and State activities. He is confident that the combined activities will produce constructive action. The report issued by his committee last Wednesday put the emphasis on an "immediate-action program" leading to solutions for current critical transportation problems. That is certainly what is needed.

Our entire area will benefit from a transportation program that relieves bottlenecks and opens the right-of-way for the fast, convenient movement of people and freight by rail, air, highway, and water. The proposed program makes the railroads a revitalized part of that four-part transportation plan.

We thoroughly agree with the Tri-State Committee recommendation which places at the top of the list for immediate action "the maintenance and improvement of mass transportation services to assure the continuance of vital commuter services in the region."

TRANSIT RECOMMENDATIONS—A WJRZ RADIO EDITORIAL, MAY 5 AND 7, 1962

This past week, the Tri-State Transportation Committee representing the Governors of New York, New Jersey, and Connecticut issued a report which will make a few small but much-needed dents in the area's transit problems.

The steps recommended by the committee will improve service on the New York Central, the New York-New Haven, and the Pennsylvania railroads. Five specific projects were recommended by the committee.

Only one of these will be of any direct benefit to New Jersey commuters. Some New Jersey interests were disappointed by the distribution of benefits among the three States, but this is a short-sighted attitude.

This is only the first proposal of specific projects by the committee. Others will follow. And in the future the balance of benefits will be equalized among the three contracting States.

The significant thing about the committee's report was that it concentrated on stimulating the use of mass transit facilities by encouraging parking facilities at railroad stations and the improvement of station facilities.

The projects by the committee will be in operation by the end of the year. Two-thirds of the necessary money will be contributed by the Federal Government.

The partnership of State and Federal Governments to achieve a long range solution to this area's transit problems has had an auspicious beginning. New Jersey can look to increased benefits in the near future.

PROTECTION AGAINST FLOODS

Mr. WILLIAMS of New Jersey. Mr. President, on March 26, shortly after the tremendous storm that hit the east coast, I introduced a bill, S. 3066, calling for an immediate study of alternative programs that might be established to help provide financial assistance to those suffering property losses in flood disasters.

The bill specified that the feasibility and cost of each alternative should be studied and that the findings and recommendations of the study should be reported to the President for submission to Congress no later than January 30, 1963.

The purpose of the bill was not only to provide for a reevaluation of the 1956 flood insurance program, but also to provide for an exploration of other alternatives which might overcome the objections that led to the rejection of funds to implement the 1956 insurance program by the House of Representatives.

As I said at the time, I believe that legislation calling for this kind of broad-scale study offers the best hope for allowing positive and constructive action to be taken in the reasonably near future.

I was greatly pleased when, on May 31, the President issued a special statement endorsing this bill, stating that the administration would request a supplemental appropriation of \$500,000 to finance the study should Congress indicate favorable action on the authorization.

I should also add that the bill was endorsed by a conference of eastern Governors on April 18, which met in Atlantic City to discuss steps for coping with the earlier storm disaster.

I hope that Congress will act favorably on the legislation, and I ask unanimous consent that the President's statement be printed in the Record.

There being no objection, the statement by the President was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT
THE WHITE HOUSE,
May 31, 1962.

With regard to flood insurance, I would like to state that the subject has been carefully reviewed by the executive branch following the tremendous east coast storms of last spring. We are prepared to undertake a series of pilot studies under the programs authorized by the Congress in 1956. However, it is clear that alternative means must be considered, and thus the administration is supporting the proposal of Senator HARRISON WILLIAMS, of New Jersey, calling for an immediate study of alternative programs to provide financial assistance to those suffering property losses as a result of floods. A supplemental request for appropriations of approximately one-half million dollars to finance the study will be submitted as soon as there is indication that Congress will act favorably on the Williams bill. It is our belief that the report would be made within 9 months after funds are available.

INDIANA DRIVE FOR DEEP HARBOR POINTS UP MANY CONSERVATION VERSUS DEVELOPMENT ISSUES

Mr. DOUGLAS. Mr. President, on June 19, the Wall Street Journal carried an extensive article on the effort to save the Indiana Dunes and the threat posed to this wonderful natural area by those who would construct a federally supported harbor and a huge industrial development near Burns Ditch in the midst of the dunes.

The article is signed by Edwin A. Roberts, Jr., and carries an Indianapolis dateline. While the article gives a predominantly Indianapolis point of view, I nevertheless feel the author and the Journal should be congratulated for this effort to present a balanced and extensive discussion of the issue.

I would, however, like to state one correction of a major false impression left by the article. It is true, as the article points out, that I have been charged by Indiana politicians with seeking to preserve the dunes as a national lakeshore in order to defend business interests in Chicago from the competition of an Indiana port. But the charge has no truth, and I would like to state again for the information of the Senate what my position is and why I am trying to save Indian's most exceptional natural wonder.

I do not oppose Indiana's having another harbor. It already has four; two public and two private.

I do oppose having the Federal Government finance an Indiana harbor in such a manner as will bring about the destruction of these few remaining miles of beautiful beaches, rolling dunes, and other areas of great scientific and recreational value.

I have stated that I will help Indiana to get another harbor, but a harbor at another site.

There are other sites in Indiana. Three have been suggested: enlargement of the existing Michigan City Harbor; an inland harbor connected by a channel to the lake; and a huge harbor in Lake County, Ind., to be formed by

extending the present Indiana and Calumet Harbor breakwaters.

The latter proposal, called the Tri-City Harbor has significant support in Indiana. Indeed, nearly all the business and political leaders of Lake County strongly endorse the Tri-City Harbor proposal.

On May 18, I testified before the Senate Appropriations Subcommittee on Public Works in support of Congressman RAY MADDEN's request for a \$150,000 appropriation for a feasibility study of this Tri-City Harbor proposal.

I hope the Congress will approve this appropriation. The key issue is whether Indiana can both have a harbor and preserve this irreplaceable natural area. I believe the dunes can be saved and that Indiana can have a fine deepwater harbor. I shall continue to support this principle.

May I add, Mr. President, that I undertook this fight to save the dunes only after being repeatedly urged to do so by the Indiana group known as the Save the Dunes Council, and only after the Senators from Indiana refused my request that they work to save this priceless treasure of the Midwest.

Mr. President, I ask unanimous consent that this Wall Street Journal article of June 19, 1962, entitled "Indiana Drive for Deep Harbor Points Up Many Conservation Versus Development Issues," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIANA DRIVE FOR DEEP HARBOR POINTS UP MANY CONSERVATION VERSUS DEVELOPMENT ISSUES

(By Edwin A. Roberts, Jr.)

INDIANAPOLIS, IND.—Some 140 miles north of here, on the south shore of Lake Michigan, lies a small stretch of beachfront that has politicians, businessmen, and conservationists bumping heads.

On a strip of lakeshore that measures less than a mile, the State of Indiana wants to build a public deepwater port, to take advantage of commerce opportunities opened by the St. Lawrence Seaway and specifically to provide an Indiana gateway for iron ore, finished steel, grain, and various other commodities that figure importantly in the State's economy.

Chief opposition to the plan comes from Illinois interests whose spokesman is Democratic Senator DOUGLAS. The Senator has said it would be a shame to carve up a part of Indiana's unique sand dunes to make way for a port. But Indiana officials believe Mr. DOUGLAS is motivated by more than a bucolic interest in a neighboring State.

Two bills bearing on the controversy are currently before the Senate Public Lands Subcommittee. One, sponsored by Senator DOUGLAS, would establish a 9,000-acre national recreation area along the Indiana shore, blocking the port project. The other bill, introduced by Indiana Senator VANCE HARTKE, would establish a smaller Federal recreation area, leaving room for the harbor.

Senator HARTKE is a Democrat, as is the present Indiana Governor, Matthew E. Welsh. But among Hoosiers, the public port question is about as bipartisan as any issue can be. Indeed Senator HOMER CAPEHART, a Republican, supports the port project as have all Governors of both parties for three decades.

PERIL TO RIVAL PORT?

The reason for such intrastate unanimity is not hard to find. A modern Great Lakes

port would be a boon to Indiana. The closest rival gateway is Calumet Harbor in Chicago, a port that is 3 hours' costly sailing time down the Calumet River from Lake Michigan. Hoosiers claim that an Indiana port would imperil the economic health of the Chicago port and this, they say, is the real reason Mr. DOUGLAS is trying to block a deep-water harbor in the Indiana Dunes. Mr. DOUGLAS, however, has frequently said he favors a new Indiana port so long as it is not located in the dunes.

But the controversy is much more than a political tussle between two States. In fact, the port debate offers in almost perfect microcosm a look at the arguments that surround the old national wrangle over conservation versus commercial development—a wrangle currently in the news as the administration seeks to add to the Nation's reserve of wilderness.

This is so because the land that comprises Indiana's northwest corner is a naturalist's dream. The so-called sand dunes that rim Lake Michigan are something more than the seashore sandbanks most people are familiar with. The Indiana dunes rise as high as 100 feet and they are covered with a variety of flora and fauna that some ecologists claim is unequaled anywhere in the world.

The Hoosier State's lakefront is 51 miles long and much of it, especially the section around East Chicago and Gary, is highly industrialized. But there is an area approximately halfway between the Illinois and Michigan borders that is as wild as Eden.

Much of this duneland (2,182 acres) constitutes Indiana Dunes State Park, a preserve set aside for visitors who agree to treat the dunes with respect. In fact, in one section of the State park, a visitor found the dunes were fenced off and posted with dire warnings against climbing them. Thus, at least at that point, there wasn't much for a tourist to do but contemplate Lake Michigan, a body of water that hasn't been made famous by poets.

To get a bird's eye view of the dunes, one's best bet is to fly over them at the lowest legal altitude. From above, especially in late afternoon when the sun's color deepens, it is possible to see the dazzling white sand turn to copper. On the crests of the dunes, and marching down all sides, are the contrasting greens of the pine, tamarack, sassafras, birch, sugar maple, and beech trees. Among the trees are countless kinds of grasses, cactus, and wildflowers, including the lady's slipper orchid. And amid this luxuriant bush live deer, beaver, fox, and dozens of other furry creatures.

Uncounted kinds of birds nest in the dunes with chickadee and quail much in evidence. And at certain times of the year the area is dotted with ducks. Game fishing from the lakeshore is nonexistent but in the spring, when the smelt run up the local streams to spawn, a smelt lover could scoop up lots of the little fish with a peach basket.

It is, in sum, a paradise—a paradise built on a foundation left by the great glaciers 20,000 years ago and modeled by the lake winds and the hand of a generous providence. Now the question is: Shall seven-tenths of a mile of this wild shoreline be dredged out to make way for a harbor?

The answer in Indiana is overwhelmingly "Yes." The arguments for the port are economic and they find eager support from unemployed steelworkers in Gary, from farmers looking for easier, cheaper access to new markets, and from the man in the street who, with a note of pride, believes his State needs and deserves a port that will link it with the oceans of the world.

The Army Corps of Engineers has estimated the cost of digging out the harbor at \$25.5 million, an outlay that would be footed by the Federal Government. The cost of acquiring land and building related port facilities, some \$30 million, would be financed

through bonds issued by the Indiana Port Commission which believes the debt could be amortized out of port revenues. It was necessary to establish a port commission because Indiana law prohibits the State government from going directly into debt.

Under present plans, the port would offer shippers a 10-million-bushel grain handling facility, vast warehouses and a railroad yard that could marshal between 1,200 and 1,400 cars. The yard would be built and paid for by the New York Central Railroad.

Clinton Green, secretary-treasurer of the port commission and right-hand man to Governor Welsh, says that private companies are prepared to construct a coal unloading dock, a scrap iron operation, a salt storage yard and other facilities at the site.

MIDWEST STEEL'S PLANS

Until quite recently, the land in question, was owned by the Midwest Steel division of National Steel, private parties, and Bethlehem Steel. But the port commission has just purchased a 700-foot parcel of lakefront from Midwest for \$160,555.50. This land is immediately east of Midwest's modern rolling mill and will comprise the west end of the proposed harbor. If the harbor project goes through, Midwest plans to convert its facility to an integrated-steel plant and feed its furnaces with ore brought directly to its door. Even if the public port plan is blocked, the company intends to build its own private harbor to accommodate a blast-furnace operation.

Bethlehem Steel, which owns 1.5 miles of lakefront on the easterly side of the port site, is reported to have similar plans, although it has not yet begun any construction on its dunes property.

Indiana officials believe it would be better to build a public port, which would serve the entire State, than to sit back and watch two steel companies put in their own docks which would serve only themselves. Senator DOUGLAS, on the other hand, wants the steel companies' land taken over by the Federal Government for a national monument. The Senator estimates the Government could buy the property, together with several small parcels owned by private individuals, for between \$8 million and \$9 million.

One Indiana official termed this price "a pipedream."

But it is not the cost of a national park in the area that bothers most Hoosiers. Rather it is the belief that the State's 2,182-acre preserve plus other wild areas owned by individuals makes the establishment of a Federal park unnecessary. Beyond that, of course, is the conviction that Indiana should have a port of its own.

From Governor Welsh down, Indiana officials believe a deep-water port taking up but seven-tenths of a mile of coastline would not be injurious to the recreational character of the dunelands. Modern industrial waste disposal systems, they contend, would prevent pollution of water and air.

Senator DOUGLAS disputes this and in fact has painted a grim picture of belching smokestacks, dirty water and vast stretches of asphalt.

And if charges have flown at Senator DOUGLAS for allegedly trying to protect Illinois harbor interests, at least an equal number of charges have flown at Indiana officials for allegedly trying to help land speculators make a fast bundle. The fact is that much of the property in the vicinity of the proposed port is held by private groups that indeed would see their investment soar if the harbor in the dunes is built. One such real estate investor claims his land would triple in value.

The controversial site is usually referred to as the Burns Ditch area, not because the phrase is geographically accurate but because no one has thought of a better name. Burns Ditch is a muddy drainage creek on

the west side of Midwest Steel's property, about a mile from the place where the harbor would be built. It's generally agreed that anybody owning land within a long cannon shot of Burns Ditch stands to make money. If the port is built, a large industrial complex is certain to spring up around it.

And there have been many land transactions in the area ever since the port issue got hot.

Critics of the project, in citing the boost in land values and those who have sought to profit from them, have stopped short of accusing anybody of doing anything illegal. But the term "real estate speculation" can be a convenient barb in political debate.

The controversy has been going for so long now that many interesting and somewhat incongruous angles have developed. Particularly interesting is the Big Sand Deal of Northwestern University.

Northwestern, located at Evanston, Ill., decided to add 74 acres to its campus by dumping land fill into Lake Michigan. The university hired the Missouri Valley Dredging Co., Omaha, Nebr., to fill in the designated area with 2,500,000 tons of sand. Nobody at that time gave much thought to where the sand would come from. But the dredging company then contracted with Bethlehem Steel to take the fill from part of Bethlehem's dunelands—the part, in fact, that the State of Indiana wants to buy as part of the Burns Ditch port.

Bethlehem and Indiana officials were delighted with the arrangement. The sand removed from the dunelands for Northwestern's campus would eventually mean a saving of \$1,750,000 in the cost of port construction. But Senator DOUGLAS was furious and wired Northwestern his feelings. Northwestern referred the Senator's telegram to Missouri Valley Dredging Co., which has yet to start digging.

RECREATION FOR CHICAGOANS

Whatever negative impact the proposed port might have on harbor business in Illinois, there is certainly little question that Senator DOUGLAS has much more than that in mind in leading the opposition to the project. The Indiana lakefront is less than an hour's drive from Chicago, and if the area were made a national monument it would be an important recreational facility for Chicagoans. The Burns Ditch site, for instance, is but 40 miles from downtown Chicago. Beyond that, Senator DOUGLAS is a long time conservationist who does not have to think twice when the choice is between a factory and a forest.

The Senator is fond of quoting Carl Sandburg on the subject: "The Indiana Dunes are to the Midwest what the Grand Canyon is to Arizona and Yosemite to California, they constitute a signature of time and eternity. Once lost, their loss would be irrevocable."

But Indiana officials don't equate the Burns Ditch port with a loss of the dunes. Anyhow, they've waited a long time for a deepwater gateway and there's marked irritation around the statehouse that a Senator from another State should try to impose his views upon what is regarded here as pretty much an Indiana question.

In fact Hoosiers are fond of telling a story that, if nothing else, illustrates how long the idea of an Indiana port has been kicking around. It seems, so the story goes, that in 1836 two Indiana towns on the shore of Lake Michigan each wanted to be the site for a deepwater harbor. Then, as now, the Federal Government was responsible for dredging harbors, so Daniel Webster took a trip to Indiana ostensibly to look over the towns and recommend one for the port.

Both towns went all out to convince Senator Webster of their respective merits and, to bolster their arguments, one community offered the famous orator \$5,000 and the

other offered him a wagonload of whisky. Mr. Webster, so it is said took both the cash and the whisky and advised the Government not to build any port at all in Indiana.

"That's the way it's always been on this harbor plan," says one Indiana official. The people of Indiana give and the Federal Government taketh away. But now we're going to have our port. After all, if they hadn't put up all those skyscrapers in New York City, Manhattan would have made a wonderful beach. We're luckier. We're going to have a modern harbor so more people in Indiana will be able to afford a vacation by the dunes."

PROPOSED BURNS DITCH HARBOR

Mr. DOUGLAS. Mr. President, Secretary of the Interior Stewart Udall on June 20 submitted to the Chief of Army Engineers the departmental comments on the proposed Burns Ditch Harbor. I am sure that Members of the Senate will be interested in the Secretary's concise and frank statement of the issues and that all those who want to preserve the irreplaceable Indiana Dunes will be heartened by the Secretary's recommendations.

The Secretary's report correctly points out that the proposed harbor at the Burns Ditch site would level several hundred acres of the finest surviving natural dunes; and, further, that the commercial and industrial development and the inevitable pollution which would necessarily follow the construction of the harbor at this location would have a detrimental effect on the public recreation potential in this area.

There can be no other conclusion than this, Mr. President: A harbor and industrial development at the Burns Ditch site will certainly destroy the recreational and scientific values of the entire dunes area, including the State park several miles east of Burns Ditch.

What the report says in effect is that you cannot have it both ways: if there is a harbor, constructed at the proposed Burns Ditch site with two steel mills following it, there will be no point to a Federal park.

Secretary Udall puts this forcefully in his report when he writes:

It must be recognized that only an area of sufficient size and possessing sufficient scenic and recreational values can be considered appropriate for inclusion in the national park system. Under these circumstances, we are forced to the conclusion that if the port is constructed, the possibility of establishing a unit of the national park system in this area of Lake Michigan will be foreclosed for all time.

This is strong language, Mr. President, and it puts the Congress squarely on the spot. Those who would promote a so-called "compromise" which would give up the central unit of the proposed national lakeshore to a harbor and industry now have the expert conclusion of the Department of the Interior. This has most serious implications and I believe it is clear that since the decision must be either harbor or park the Congress and the Bureau of the Budget must give extraordinary attention to every facet of the harbor proposal. I shall undertake to assist in this detailed examination.

Mr. President, Secretary Udall's letter to the Engineers, without going into the

economics of the harbor proposal, underscores two very serious deficiencies in the Engineers' report. These are, first, that the Engineers' study "made no effort to balance off the conflicting claims between navigational and recreational use." The fact is that despite President Kennedy's recommendation for a national lakeshore in the Indiana Dunes, the Engineers completely ignored the effect of the proposed project on the President's recommendation. While the Engineers purport to submit a scientific report on the benefits which will accrue from the harbor in contrast to the costs of constructing it, they nowhere include in their computations the costs of destroying this irreplaceable natural resource.

Second, the Secretary points out that "the Corps did not weigh seriously the Burns Ditch site for a harbor against other potential sites along the 45-mile Lake Michigan shoreline in the State of Indiana."

This absence of any detailed study of the alternative sites in Indiana is the key deficiency in the Engineers' report. There are other sites for a new deep-water port in Indiana. Everyone knows this. But present State officials do not want to look at the other sites. During recent appropriations hearings, State officials openly opposed an appropriation for a feasibility study of a Lake County, Ind., deepwater harbor which Congressman RAY MADDEN has requested with the almost unanimous endorsement of Lake County political and business leaders.

Why does the State administration oppose even a study of the Lake County harbor proposal? The district engineer's report openly states the reason:

The proposed site at Burns Waterway . . . is the only one which would satisfy the requirements of the State of Indiana and the Midwest Steel Corp.

Mr. President, more than 90 percent of the benefits from this harbor—to be built with \$25.5 million of Federal funds—would go to this one steel company. No more brazenly selfish proposal has been before the Congress in some time.

On the basis of this extraordinary proposal to destroy the Indiana Dunes in order to build at Federal expense a harbor which is almost solely for the benefit of one steel company, what conclusion can reasonably be reached?

The Department of the Interior concludes that "there is no substitute for the scenic and recreational opportunities which the Indiana Dunes can be made to provide for almost 7 million persons who live in the surrounding metropolitan area."

The Department recommends that "approval of the proposed reports be withheld until thorough study can be given by the Corps of Engineers to alternative sites for the harbor and until the impact of the Burns Waterway project on the proposed national lakeshore is fully evaluated."

This is a sound recommendation, and I hope Lieutenant General Wilson and the Secretary of the Army will review the procedural and substantive deficiencies in the Engineers' report and that they will concur in the recommendation of the Secretary of the Interior.

I ask unanimous consent that the full text of Secretary Udall's letter of June 20, 1962, addressed to the Chief of Engineers, be printed in the RECORD along with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY UDALL URGES RESTUDY OF CORPS OF ENGINEERS' PROPOSED HARBOR IN INDIANA DUNES AREA ALONG LAKE MICHIGAN

JUNE 20, 1962.

DEAR GENERAL WILSON: This is in reply to your letter of April 12, transmitting for our comments reports on Burns Waterway Harbor, Ind. The reports recommend construction of an artificial harbor, by dredging and erection of breakwaters, near Burns Ditch, between Gary and Michigan City, Ind., at a net Federal cost of \$25,500,000.

The proposed harbor would be located in the heart of the Indiana Dunes area of northern Indiana along the shore of Lake Michigan. As you know, this Department has proposed that the remaining natural environment of the dunes be preserved in public ownership. We have supported the purposes of S. 1797, a bill which would establish an Indiana Dunes National Lakeshore consisting of approximately 9,000 acres with nearly 5½ miles of undeveloped shoreline. The President in his message on conservation also endorsed the establishment of a national lakeshore in northern Indiana.

Development of the proposed public harbor at the Burns Waterway site would level several hundred acres of the finest surviving natural dunes. The commercial and industrial development and the inevitable pollution which would necessarily follow the construction of the harbor at this location would have a detrimental effect on the public recreation potential in this area. It must be recognized that only an area of sufficient size and possessing sufficient scenic and recreational values can be considered appropriate for inclusion in the national park system. Under these circumstances, we are forced to the conclusion that if the port is constructed, the possibility of establishing a unit of the national park system in this area of Lake Michigan will be foreclosed for all time.

The report of the Corps of Engineers raises two basic questions which we consider significant in light of the conflict between the harbor and the national lakeshore proposal. First, we note that the study made no effort to balance off the conflicting claims between navigational and recreational use. The impact of the project on the national lakeshore proposal was not studied. There is no evidence that the significant loss of park and recreational resources is included in the analysis and cost-benefit evaluation of the harbor project.

Second, we note that the Corps did not weigh seriously the Burns Ditch site for a harbor against other potential sites along the 45-mile Lake Michigan shoreline in the State of Indiana. The reasons for planning a harbor at this particular point, it is stated in the report, are that this is the site selected by the State of Indiana and "the only one which will serve . . . the needs of the Midwest Steel Corp." (p. 19). "Consideration was given to other locations, including the area between Calumet and Indiana Harbors. However, detailed study was limited to the proposed site at Burns Waterway since the location selected is the only one which would satisfy the requirements of the State of Indiana and the Midwest Steel Corp." (P. 30.)

While we understand the desire of the State of Indiana to have its own deep-draft harbor on the shores of Lake Michigan, this particular project's adverse effect on an irreplaceable natural resource of national signifi-

cance must also be weighed in the balance. While there are alternative sites within the same general area for artificial harbors which have not been studied in detail, there is no substitute for the scenic and recreational opportunities which the Indiana Dunes can be made to provide for almost 7 million persons who live in the surrounding metropolitan area. Accordingly, it is our recommendation that approval of the proposed reports be withheld until thorough study can be given by the Corps of Engineers to alternative sites for the harbor and until the impact of the Burns Waterway project on the proposed national lakeshore is fully evaluated. Only then can a wise decision be made as to whether the proposed harbor, or the proposed park, is more in the national interest.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

FISH PROTEIN CONCENTRATE

MR. DOUGLAS. Mr. President, I have had a great number of inquiries from Members of Congress as well as people from across the Nation concerning the public hearings on fish protein concentrate that were scheduled to begin June 18, 1962. At the request of the Department of the Interior, as well as from the two other petitioners for this public hearing, I agreed to request a postponement. This would give time for the National Academy of Sciences to complete its studies on this most valuable product.

Because of the tremendous potential of this product, made from whole fish, I am very anxious that it be made available to the people of America. It then can be used by our country to help alleviate the suffering from hunger so apparent in the world today. The Food and Drug Administration has not approved this product because it says some of the consuming public would object to using it in their food. The Food and Drug Administration has never challenged the product's purity or safety, even after testing it in its laboratories. In fact, it even announced its approval that the product could be sold to other nations by American producers.

I ask unanimous consent to have printed in the RECORD the correspondence between my office, the Department of the Interior, and the Food and Drug Administration on the subject of postponing the June 18 public hearings. I am very anxious that this product's merits be thoroughly explored before the American public, and I look forward to reading the final report from the National Academy of Sciences on the quality of the product. I hope this can be made speedily.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 31, 1962.

DEAR SENATOR DOUGLAS: We have noted with interest that you are one of the petitioners seeking approval from the Food and Drug Administration for a standard of identity for a fish protein concentrate (FPC) prepared from whole fish.

As you know, the Bureau of Commercial Fisheries of this Department has wholeheartedly assisted in the development of this

standard. We agree with you that fish protein concentrate is of extreme importance—sociologically to the protein-hungry people of the world, politically to our Nation, and economically to our domestic fishing industry.

Since both of us are interested in the development of a strong case at the hearing, it seemed worthwhile to report to you a significant development concerning the question of product wholesomeness which will be one of the subjects examined at the hearing. The entire matter of fish protein concentrate, including the question of product wholesomeness and usefulness, was discussed in my office recently by a large group interested in this subject. It was the consensus of that meeting, as expressed in a recommendation by the eminent pediatrician, Dr. Paul Gyorgy, that the matter of product safety deserved additional study even though the results of such research could not be made available by the date now set for the hearing.

In response to the recommendation, we have asked the National Academy of Sciences to initiate a study by an appropriate group under their supervision. We feel that conclusions made by this organization should satisfy completely the general public and officials of Government as to the wholesomeness, safety and usefulness of the product.

In your correspondence with the Food and Drug Administration concerning the inception or postponement of the hearing, may we suggest that you give consideration, as a factor in your decision, to the availability, at a later date, of the report on this additional product research?

We will be most interested to hear of your decision on this matter.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

JUNE 4, 1962.

MR. GEORGE P. LARRICK,
Commissioner, Food and Drug Administration,
Department of Health, Education,
and Welfare, Washington, D.C.

DEAR MR. LARRICK: The Bureau of Commercial Fisheries of the Department of the Interior has asked the National Academy of Sciences to initiate a study of the wholesomeness and usefulness of fish protein concentrate and have suggested that the hearing before your administration be postponed until these results are available. I am agreeing to this but I am urging the Bureau of Fisheries and the Academy of Sciences to speed up action so that the report will not be unduly delayed.

I would therefore suggest that the hearings set for June 18 be postponed for a reasonable period of time until such a report is available which should settle once and for all the question of the safety of the product as well as its usefulness.

With best wishes,

Faithfully yours,

PAUL H. DOUGLAS.

JUNE 4, 1962.

HON. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of May 31 suggesting that I ask for a delay in the hearings on fish protein concentrate.

I am perfectly willing to ask for this delay but I do hope the study can be completed soon and not be one of those interminable affairs, the affect of which is not merely to postpone but to prevent action.

I am enclosing a copy of my letter to the Food and Drug Administration.

With best wishes,

Faithfully yours,

PAUL H. DOUGLAS.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
FOOD AND DRUG ADMINISTRATION,
June 7, 1962.

HON. PAUL H. DOUGLAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOUGLAS: We have your letter of June 4, 1962, requesting a postponement of the fish flour hearings scheduled to start on June 18.

This request has been granted and an announcement to appear in the Federal Register of June 9 is enclosed.

With best personal regards,

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[Published in the Federal Register,
June 9, 1962]

TITLE 21, FOOD AND DRUGS—CHAPTER I, FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—SUBCHAPTER B, FOOD AND FOOD PRODUCTS (DOCKET NO. FDC-71)

PART 37—FISH; DEFINITIONS AND STANDARDS OF IDENTITY; STANDARDS OF FILL OF CONTAINER; FISH FLOUR; IDENTITY; POSTPONEMENT OF PUBLIC HEARING

In the Federal Register of April 20, 1962 (27 F.R. 4063), there was published a notice of a hearing on objections to the order establishing a standard of identity for fish flour under authority of section 401 of the Federal Food, Drug, and Cosmetic Act. This notice was based on formal objections to the order received from Hon. Paul H. Douglas, U.S. Senate; Mr. Harold Putnam, on behalf of VioBin Corp., Monticello, Ill.; and Mr. Vincent A. Kleinfeld of Bernstein, Kleinfeld & Alper, on behalf of Gulf Menhaden Co., Cameron, La., the members of Industrial Products Division, National Fisheries Institute, Inc., Washington, D.C., the members of Virginia Fishermen's Association, Reedville, Va., and Fish Products Co., Lewes, Del.

The Commissioner of Food and Drugs is now in receipt of requests from Senator Douglas, Mr. Putnam, and Mr. Kleinfeld requesting that the hearing be postponed.

In response to these requests, notice is given that the prehearing conference scheduled for June 12, 1962, and the hearing scheduled for June 18, 1962, will not be held until further notice. This is without prejudice to the objectors' requesting that the hearing be rescheduled at a later date. (Sec. 701(e)(2), 70 Stat. 919; 21 U.S.C. 371(e)(2).)

Dated June 6, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

COMMEMORATION OF THE MASS DEPORTATIONS FROM THE BAL- TIC STATES—JUNE 14, 15, 16

MR. DOUGLAS. Mr. President, June 14 to 21 marked the anniversary of the tragic mass deportations and executions of the peoples of the Baltic States by the Soviet Union in 1941.

On February 16, 1918, the Lithuanian nation had reestablished its independence after over a century of Russian domination followed by German occupation during World War I. During her two decades of independence, Lithuania made great economic and social progress as a democratic state with a constitution that guaranteed the basic freedoms of speech, assembly, and religion.

With the outbreak of the Second World War, Lithuania had attempted to maintain a policy of absolute neutrality but she was gradually engulfed. In 1939, the Soviet Union forced a mutual assistance treaty upon the country re-

quiring Lithuania to grant airbases to the Soviet Union and to admit Soviet garrisons. On June 15, 1940, the Soviets demanded immediate formation of a friendly government and occupied the country. In August of that year the Baltic States were deprived of their independence and incorporated into the U.S.S.R. by means of force and fraudulent elections.

On June 14, 1941, the Soviet police began the deportations. It is estimated that between June 14 and 21 close to 40,000 persons—young and old, men and women and children—were forcibly torn from their homes and loved ones and shipped off to slave labor camps in remote areas of Siberia and the Arctic. Several thousand more were executed when the Soviet forces retreated in haste under German attack. When the Soviets retook the country in 1944 new waves of mass deportations followed.

The United States has denounced this crime of aggression and consistently refused to recognize the Communist claims to these people and their territories. On the anniversary of these inhuman crimes against the people of Lithuania and the other Baltic States, it is only right that we should pay tribute to these brave, freedom loving people who have endured so much. We can only hope and pray that the time will soon come when these brave people will regain their rightful place among freemen.

LAND-GRANT COLLEGE CENTENNIAL

MR. HRUSKA. Mr. President, July 2 of this year marks the centennial of the enactment, under signature of President Lincoln, of the Morrill, or Land-Grant College Act.

The University of Nebraska which will be celebrating its own centennial in 1969, is among the 68 American colleges and universities founded or developed under the land-grant program.

Opening its doors in a single brick building on a plot of raw prairie land at Lincoln to 20 collegiate students and 100 preparatory school youngsters in 1871, the University of Nebraska has since conferred more than 65,000 degrees and served upward of 100,000 students.

Its admirable record is quite typical of the land-grant institutions which now enroll approximately 20 percent of the undergraduate students and grant almost 40 percent of the doctoral degrees. Of the 40 living U.S. citizens who attended college in our country and won Nobel prizes, 24 received their degrees from land-grant institutions. Moreover, these same institutions train almost half of all of the Regular and Reserve officers for the Armed Forces.

Through the research conducted at land-grant institutions have come some of the most important advancements of modern times: the first cyclotron; pioneering research in television and radio transistors; streptomycin and open-heart surgery; development of rockets and rocket fuels; and foods for space-men, to give a few examples.

Perhaps more important than any of the specific accomplishments, however, is the influence of the land-grant pro-

gram on the development of a distinctly American kind of higher education. The immediate aim of the Morrill Act was to help establish colleges and universities which, without neglecting classical instruction, would offer opportunities to apply scientific knowledge to agriculture and what the original act called the mechanic arts.

In the accomplishment of this objective, the land-grant program has given millions of young people reasons for wanting to participate in higher education. It has also offered education to adults through extension programs and, more recently, through rapidly developing programs of continuing education to serve people who are not going to college and provide refresher courses for degree holders. In a very real sense, the Morrill Act gave substance and form to a peculiar American interest in technical progress. It has proved to be the foundation of our great technological advance, the growth of our professional services, and of our recordbreaking participation in higher education. Together all of these things have been of substantial help in giving America the highest living standard in the world.

The achievements resulting from the Morrill Act, and from subsequent related legislation, are worthy of note in this centennial year. They stand also as a guide for the future in emphasizing the importance of keeping educational opportunity within the reach of ordinary people who with the help of education, as the record demonstrates, are capable of extraordinary accomplishments.

REGULATION OF EXPORTS

The Senate resumed the consideration of the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, the committee amendment has been agreed to; and the bill as thus amended is now before us as original text, is it not?

The PRESIDING OFFICER. That is correct.

Mr. SPARKMAN. Mr. President, the Committee on Banking and Currency has reported S. 3161, a bill which would repeal the termination date from the Export Control Act of 1949, thereby making the act permanent legislation. In addition to this amendment, which was recommended by the administration, the committee added an amendment proposed by Senator JAVITS which expresses the policy of the United States with respect to the exercise of controls over trade by the free world nations with the Communist-dominated nations.

The Export Control Act authorizes the President to regulate exports from the United States under standards based on national security, foreign policy and domestic shortages. The act is administered by the Secretary of Commerce under delegation from the President. Careful arrangements are made to pro-

vide coordination with other departments, including several interdepartmental committees, and the Export Control Review Board established by President Kennedy by Executive order in 1961. Under the act the Commerce Department reports every quarter to the Congress, and the bill makes no change in this requirement.

The committee felt that it was desirable to make the act permanent as are various related economic defense laws such as the Trading With the Enemy Act, the Mutual Defense Assistance Control Act of 1951 and the special export laws governing arms, ammunition, implements of war and atomic energy materials. The committee recognizes that this amendment eliminates the biennial review of the program involved in the 2-year extensions which have been the custom in the past. However, the committee is mindful of its responsibility under the Legislative Reorganization Act to exercise continuous watchfulness of the execution of the act by the agencies involved. The committee intends to do this and to make any appropriate recommendations for amendments.

The Javits amendment to the bill would make it the policy of the United States to formulate, reformulate, and apply export controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations in their dealings with the Communist-dominated nations. It would require the administrator of the act, and the departments and agencies that advise him, to seek the maximum degree of cooperation from other countries in their export controls and in their trading and commercial policies toward the Soviet bloc, so as to aid in the effectuation of U.S. export control objectives.

The record of the hearings contains a great deal of information on the subject of the multilateral export controls exercised over free world trade with the Soviet bloc—for example, the consultative group and coordinating committee arrangements, the import certificates and delivery verifications, and the transit authorization certificates designed to prevent transshipment of strategic commodities to the Soviet bloc. Generally speaking, the free world nations participating in this arrangement have achieved a high degree of agreement on these controls. I think it can be safely said that on all of the most important matters we are in full and complete agreement. But we must recognize that there is not complete agreement. In some cases our allies do not agree with us on individual commodities being shipped to the Soviet bloc. And we have gone much farther than our allies in imposing embargoes on shipments to Communist China and other Far East Communist-controlled areas, and in imposing a limited embargo on U.S. exports to Cuba.

The Javits amendment would call upon the executive branch to exert every

effort to obtain maximum cooperation among the free world nations for the purpose of establishing a unified system of controls over free world trade with the Sino-Soviet bloc and with other unfriendly nations.

At the same time, in seeking to maximize cooperative efforts, we must recognize that we are dealing with sovereign foreign nations. We cannot expect complete agreement with us on every individual item or transaction, nor should we abandon controls to any country or on any item which we regard as important to U.S. national security or foreign policy merely because multilateral agreement cannot be obtained.

Under these circumstances, it is highly desirable that the executive branch should exert every effort to eliminate confusion and conflict among free world nations and to obtain the maximum cooperation in exercising controls over trade by the free world with Communist-dominated nations.

The Export Control Act of 1949 expires June 30. We cannot allow it to expire. I urge the Senate to act without delay.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEATING. Mr. President, I call up my amendment 6-15-61—B, and ask that it be read.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The legislative clerk proceeded to read the amendment.

Mr. KEATING. Mr. President, I ask unanimous consent to dispense with the reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. KEATING is as follows:

SEC. 1. Section 5 of the Export Control Act of 1949, as amended, is further amended to read as follows:

"SEC. 5. (a) Except as provided in subsection (b) of this section, in case of any violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. For a second or subsequent offense, the offender shall be punished by a fine of not more than three times the value of the exports involved or \$20,000, whichever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment.

"(b) Whoever willfully exports any material contrary to any provision of this Act or any regulation, order, or license issued hereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be punished by a fine of not more than five times the value of the exports involved or \$20,000, whichever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment."

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEATING. Mr. President, I ask unanimous consent to rescind the order for the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. I yield to the Senator from Utah [Mr. BENNETT].

TAX PROPOSALS ON FOREIGN SUBSIDIARIES OF AMERICAN FIRMS

Mr. BENNETT. Mr. President, as a result of the hearings held in the Finance Committee, I have known that American firms doing business through subsidiaries abroad have been greatly worried about the foreign tax proposals contained in H.R. 10650, but until I read a statement in the New York Times of June 21, I did not realize that the very existence of this bill has begun to disturb the government and people of friendly nations.

The story to which I refer has a date-line of Sydney, Australia, June 20, and reveals that the U.S. Embassy in Canberra found it necessary to make a statement whose purpose was to quiet the fears of the people of Australia that, as a result of this bill, American investment in Australia would be reduced. Of course, the Embassy official who made this statement had no way of knowing what might happen if the bill were actually passed, but the fact that the statement was made is a part of the present pattern and program of the New Frontier to try and calm with words the fears that are created by its recommendations.

I ask unanimous consent that this newspaper report may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUSTRALIA ASSURED ON U.S. INVESTMENT

SYDNEY, AUSTRALIA, June 20.—The U.S. Embassy in Canberra sought to reassure Australia today that a proposed U.S. tax law would not check the flow of American private capital to Australia.

An Embassy spokesman said that the proposed tax on undistributed profits of American subsidiary companies overseas was directed at "tax haven" countries and Australia was not in this category.

The statement was issued following suggestions by Australian business authorities that the Australian economy might suffer if the proposed tax was realized.

The U.S. spokesman said that "American capital has been invested in Australia at an increasing rate over the past 7 years because of the growing appreciation in American financial circles of the favorable opportunities offered for growth and earnings in Australia."

"As long as these conditions prevail there are no reasons to believe American capital will not continue to seek investments in Australia even if the law against 'tax havens' is passed."

The spokesman added that it was not the intention of his Government to discourage American private capital from going to Australia or to any other country which did not attract capital through tax advantages.

ADMINISTRATION PURCHASE OF FOREIGN STEEL IS UNDERMINING AMERICAN STEELWORKERS

Mr. BENNETT. Mr. President, I was very much troubled to learn this week that the administration permitted the Navy Department to purchase 3,500 tons

of steel from West Germany to be used in the construction of three missile frigates at Bremerton, Wash. Immediately after receiving this disquieting report, I learned that much, or perhaps all, of this steel would have been rolled at the United States Steel plant at Geneva, Utah, had the contract gone to United States Steel, which is likely since it submitted a tie low bid among domestic steel producers.

UNEMPLOYMENT IN UNITED STATES STEEL AND UTAH STEEL MILLS

In my opinion, the President should immediately reverse this misguided policy which results in the expenditure of taxpayers' dollars to purchase material abroad for the Department of Defense, at a time when there is unemployment in our own domestic steel industry. For example, it is known that there are approximately 900 steelworkers out of work at the Geneva and Ironton mills in Utah. This figure would be even higher were it not for the fact that many of the workers are being required to take as much as 3-week vacations to which they are entitled because of their long service. Moreover, a good one-half of the total number of people employed at the Geneva mill are on a 4-day week, while the nearby Ironton plant is completely shut down. Only five open hearths are in operation which is the lowest number in the history of the plant. Normally 8 are in operation out of a total of 10 open hearths available for production. The Geneva mill now is operating at only 55 percent of capacity. Unfortunately the Utah situation is typical of the steel industry generally throughout the United States.

Yet, in the face of these serious domestic problems, the Kennedy administration has purchased 3,500 tons of steel from West Germany.

AT LEAST 300 STEELWORKERS LOSE WORK OPPORTUNITY TO FOREIGN COUNTRIES

This order would have, I am advised, kept more than 300 American steelworkers busy for a month. In other words, we are exporting jobs from the United States to West Germany. This is happening at a time when the Kennedy administration is supposedly concerned about the serious deficit in our international balance of payments which has resulted in an alarming outflow of gold from the United States. Yet, millions of American dollars are now being spent to purchase German-produced steel to be used in Bremerton, Wash. This will further add to our balance-of-payments deficit and increase the likelihood of greater shipments of American gold to Europe.

While this particular Navy purchase may seem relatively insignificant to some, it is not insignificant to 300 American steelworkers who would have had an additional month's work. According to an article which appeared in the June 18 edition of Steel magazine, it has even more significance than appears on the surface. The article notes that when final figures are in for fiscal year 1962, which ends on June 30, the Navy will have tripled its foreign steel purchases over fiscal year 1961. In fiscal 1961 the Navy purchased \$629,000

worth of foreign steel, which was 3.3 percent of its total steel purchases. But in just the first 10 months of fiscal 1962, the Navy bought \$1,739,000 worth of foreign steel—7.4 percent of its steel needs. This is a most dangerous trend, particularly since the foreign steel-makers are just beginning to hit their peak in steel production. It must be remembered that much of the steel capacity of West Germany and Japan was built with the assistance of funds supplied by the U.S. taxpayers, as the result of an unselfish effort to help rebuild the economies of these two countries which were substantially destroyed during World War II.

NO SAVINGS FROM FOREIGN PURCHASES

Evidently the purported rationale of the recently announced purchase of steel from West Germany is an alleged saving of \$153,000, or 30 percent of the total cost. The Navy paid approximately \$357,000 for the German steel, and would have paid \$510,000 for it in this country. This argument, however, conveniently overlooks the fact that 75 percent of the cost incurred by our steel industry goes to pay the wages of steelworkers. Seventy-five percent of \$510,000 is \$382,000, which means that the deal with West Germany cost U.S. steelworkers that amount in their pay envelopes. These workers would all pay a Federal income tax of about 20 percent on the money, which means that the Federal Government lost an additional \$76,500 in individual income taxes. What is more, the Government also lost \$25,500 in corporate income taxes, which is the amount that would normally be paid on such a contract. The corporate tax rates are set at 52 percent of a corporation's profit. Thus the alleged saving of \$153,000 must be offset by the \$102,000 lost in individual and corporate income taxes alone—not counting the loss in wages amounting to \$382,000.

Moreover, these figures do not include lost State and local taxes or such other taxes as those imposed on stockholders' earnings. To this must be added the increased cost of unemployment compensation to the resulting unemployed American workers.

It is inconceivable that any other nation would use its money to purchase its defense supplies abroad when it could buy them at home. President Kennedy and his economic adviser, Walter W. Heller, are sending teams abroad to study the economies of leading Western European countries to find out why their economic growth rates are greater than ours. From this example, they can find at least one valuable clue at home and perhaps spare themselves the expense of taking such a lengthy journey.

STOP SUBSIDIZING FOREIGN STEEL

The Defense Department steel purchase abroad is regrettably typical of our long outmoded policy of subsidizing and propping up industrialized foreign countries and foreign business while we impose excessively high, growth-stunting taxes on our own business at home. As a result our steel industry, for instance, is placed in a position where it finds it increasingly difficult to compete with foreign steel companies. Our tax

rates are so high that American steel producers have not been able to modernize their equipment and mills, while foreign competitors, many times with U.S. subsidies, have built magnificent, new, efficient steel plants. An integrated steel plant soon will be built even in Turkey with the aid of a U.S. Government loan. Foreign steel producers plan to spend approximately \$5 billion for new and improved facilities during 1962, while our steel companies have available at most only \$1.3 billion for capital improvements during the same period largely because of the profit squeeze.

PROGRAM TO GIVE AMERICAN STEELWORKERS A BREAK

There are several steps which the Kennedy Administration could and should take in order to deal with purchases of steel from abroad by our Defense Department. Domestic producers, under existing law are entitled to a 6-percent differential in bidding against foreign producers and a 12-percent differential if the U.S. bidders are in a major labor surplus area. The United States Steel plant at Geneva, Utah, is in a major labor surplus area. However, the German and Japanese steel producers know what the domestic bids are likely to be because of their knowledge of our costs; so they merely bid 13 percent under the domestic price and thus jump over the present differential. It is apparent, therefore, that this protection is completely inadequate. It is clear that the President should immediately consider restoring the differential under the Buy American Act to the 25-percent level at which it stood for many years.

Secondly, the administration should immediately conduct an investigation to determine whether or not the Anti-Dumping Act is being violated. There is considerable evidence that foreign producers are selling steel abroad at a lower price than they are charging buyers in their own countries. There is also considerable evidence that many of these same producers are running their steel mills at full capacity, using what they need at home, and then dumping the rest abroad, including the United States, at dump-rate prices.

The incongruity of the administration's policy toward Defense Department purchases abroad is further illustrated by the fact that the Agency for International Development applies a completely different policy to its purchases. AID was directed by former President Eisenhower on November 16, 1960, to stop all purchase of commodity procurement financed with AID funds in 19 industrialized countries including all major steel-producing nations. This was done to help stop the gold outflow, help our balance-of-payment situation, and assist industry in the United States. In contrast, however, the Defense Department is permitted indiscriminately to buy foreign goods with Defense procurement funds. Let not the right hand know what the left hand doeth.

PRESIDENT CAN ACT IF HE WILL

The President has abundant authority to intervene immediately in behalf of our American steelworkers and keep their

jobs from being exported abroad by the Defense Department. I urge him to do so. This could be the salutary start of a multifaceted policy, which must also involve substantial and far-sweeping liberalization of tax depreciation rates, to permit a revival and restoration to good health of our American steel industry. I am in agreement with a front page editorial dealing with Navy steel purchases which appeared in the Sentinel, the newspaper published by Local 1397, United Steelworkers, which is entitled "All Right, J.F.K., Let's Stop This." American steelworkers are entitled to better treatment than they are getting from the Kennedy administration.

REGULATION OF EXPORTS

The Senate resumed the consideration of the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes.

Mr. KEATING. Mr. President, the first amendment, now before the Senate, is designed to increase the penalties for serious or repeated violations of export controls. Under the present provisions of the Export Control Act all export violations, regardless of the circumstances involved, are considered to be misdemeanors. In my judgment, this provision is inadequate for those cases involving either repeated violations of the law, which are covered by the first paragraph of the amendment, or willful violations knowingly designed to benefit Communist-dominated nations.

Illegal exports can have an impact on our national security. They can contribute directly to the strength of our potential enemies at a time of crisis. They can undermine the whole control system. In such cases, a misdemeanor penalty simply does not fit the crime.

Here are some of the categories of violations described in a report to me from the Department of Commerce: trafficking in validated export licenses, altering and forging validated licenses, making false representations, bribing customs officials, reexports to unauthorized persons or destinations, smuggling, concealment of material facts, failure to insert destination control notices, transshipments via Canada.

Some of these categories may involve violations of related laws carrying more than misdemeanor penalties. Others, however, violate only the Export Control Act. Should a company which knowingly sends strategic goods out of this country for transshipment to Red China, Cuba, or the Communist bloc be treated like a petty thief? I don't believe that anyone would place such dangerous transactions from the point of view of our security in the same category as petty larcenies and simple assaults—two typical misdemeanor offenses.

There are some cases in which a misdemeanor penalty would be appropriate such as the failure to stamp destination control notices on shipping documents without any intent to transship. My amendment retains the misdemeanor penalty of the present law for such cases. This will give the Department the flexibility it wants in connection with

criminal prosecutions. In other words, under the provisions of this amendment, we will be able to shape the punishment to fit the crime.

The Department of Commerce has to process thousands of export license applications every month involving millions of dollars. Its export control investigations staff is composed of only 27 employees, of whom only 15 are described as professional investigators. Their work is supplemented by the equivalent of 7 investigating agents and 4 customs enforcement officers provided by the Customs Service on a reimbursable basis. Some additional help is provided by economic defense officers assigned to our embassies overseas. The most this meager force can do is spotcheck applicants and shipments. It should be augmented, but even if this investigative force were doubled, cooperation on the part of exporters would be essential if this program is to have any measure of success.

Most exporters, of course, do comply with the law and cooperate in every way in the enforcement of the Department's rules and regulations. It is in their interest as well as in the interest of the program to take every reasonable measure against the unscrupulous few who flout the law either out of sympathy with our Communist enemies or out of greed.

The Soviet bloc continues to bait, lure, mislead, and falsify in order to obtain U.S. goods illegally. Such efforts to obtain vitally important U.S. goods have not abated. Known cases in recent months have involved repair and replacement parts for oil-processing equipment located in Cuban refineries confiscated by Castro; steam generators with accessories for 72-volt direct current for a Soviet bloc country; 22,178 pounds of pure titanium scrap to another Soviet bloc country; a P-33 seismograph system to a Soviet bloc country; and a 12-inch electromagnet used for laboratory research, and a noise and field intensity meter, a strategic electronic measuring instrument, to a Soviet bloc customer. To get these goods, the Soviet traders resorted to false representations, illegal diversions, fictitious firm names, and other knowingly unlawful devices. In almost every case the Department of Commerce was duped into issuing valid export licenses to the American supplier by the foreign agent's tactics.

In 1961 the Department of Commerce moved against a group of firms conspiring to ship American goods to Cuba in violation of U.S. export controls. The action was based on evidence that the firms and their officials ordered U.S. products ostensibly for shipment to Mexico, which were actually intended for transshipment to Cuba. Over \$300,000 was involved in the known operations of these firms of which only \$45,000 was halted in Mexico or returned to the United States for seizure. The rest of the equipment, which included U.S. aircraft, marine and auto supplies, apparently found its way into Cuba.

Another recent case involving a U.S. firm reveals some of the practices to which unscrupulous exporters resort to make profitable sales to the Communists.

In this case, after rejection by the Department of Commerce of an application for an export license to ship 240 metric tons of tin mill black plate rejects to Hungary, the American exporter entered into a deal with an Austrian importer acting as agent for the Hungarians, under which a new order would be submitted for the same quantity of the same material with Austria designated as the ultimate designation. Shipments under this new order were allowed to leave the country, and it is evident that they eventually were diverted to Hungary.

Mexico has been reliably reported to be a principal supply line for transshipments of U.S. goods to Cuba. Since the U.S. embargo on Cuba, which Mexico refused to join, companies have been set up in the neighboring country for the specific purpose of acquiring goods from U.S. firms for diversion to Castro. As a result of these operations, Castro has been able to get many spare parts and other equipment desperately needed to keep his precarious economy from complete collapse.

Prior to the U.S. embargo, Cuba, now the destination for many illegal sales, served as a willing intermediary for transshipments to the bloc. In one case, two Cuban nationals procured strategic electronic tubes and transistors from an American electronics firm by representing that they were for use in Cuba although they actually were intended for transshipment to the bloc. Other items involved in similar deals through Cuba in this period were gravity meters and a spectrum analyzer. Our embargo on Cuba has made such shipments more difficult, but as I have indicated, there is considerable evidence that Cubans are continuing to get U.S. goods from Mexico.

In my judgment the criminal penalties of the present Export Control Act are entirely inadequate to deter such flagrant and serious violations of the law. This kind of international intrigue presents tremendous enforcement difficulties under the best of circumstances. We should at least make certain that in those cases in which conviction for trading with the enemy is obtained, a punishment suited to the crime is available.

Acting Secretary of Commerce Gude- man has objected to the amendment. He says it will interfere with enforcement flexibility. This is ridiculous. If there is anything more inflexible than providing a misdemeanor penalty for every case regardless of the circumstances—I cannot think of it. Yet that is the provision of the present law.

My amendment, as I have indicated, will retain the misdemeanor penalty for appropriate cases, but provides more severe penalties for repeated or more serious offenses. In this manner real enforcement flexibility is obtained—not the kind of flexibility which allows a district attorney to avoid a grand jury indictment in serious cases, but the kind of flexibility which permits a punishment to be imposed which fits the crime.

Acting Secretary Gude- man also says that many export violations involve the making of false statements which is already a felony. That is fine as far as it

goes. But it is clear from the Department's reports to me that many export violations do not involve the making of false statements. Trafficking in licenses, diversions of shipments through Canadian and Mexican intermediaries need not involve any false statements. Where shipments to the bloc of strategic materials is the ultimate purpose of such schemes, a misdemeanor fine and sentence is woefully inadequate.

It is true that this amendment will not make it any easier to obtain the proof needed for convictions. Nor will it make it any more difficult to obtain such proof. However, it will make it possible, in cases which are brought, to impose a term of imprisonment and fine much more suited to the offense. And it will provide the kind of effective deterrent which we must have to discourage illegal exports in the first place.

If we want to put some teeth into this program, we can do it by approving this amendment.

This is another effort to show that we mean business in preventing trade with the bloc in strategic or other economically important goods. Severe penalties will deter the tempted, set an example for our free world allies, convince the Soviets of our determination to halt their illegal procurement and assure that justice will be meted out to those who would deliberately violate our export controls.

I hope this amendment will be approved.

Mr. JAVITS. Mr. President, the whole story must be put into focus. We must understand the character of the law and what is sought to be done. I have little doubt that an adjustment can be reached.

What is the ultimate purpose to be attained? First, I should like to speak of my own amendment, which is the product of work along a somewhat different line from that of my colleague from New York—and I respect his work very much in the field of internal security—but which must be understood and evaluated in terms of its critical importance to the foreign policy of our Nation.

My amendment, to which the committee agreed, and to which the Senate has now agreed, is intended to fix the attention of all our Government agencies on the need for a unified commercial and trading policy with the Communist-dominated nations. The orientation from which that proceeds is the idea that there shall be trade. The other side of the medal, which we must carefully evaluate, is to make it so tough and so dangerous, in terms of criminality, that there will not be trade. I think there are two points of view on this question, and that they are both very important. One point of view I adopt. I believe there should be trade, but I believe that trade should be handled in such a way as to do the free world the most good. The answer is that there is now trade anyway with many countries in the world in very large amounts.

Generally speaking, the Soviet Union and the Communist bloc do something like 3 percent of the export and import trade done in the world. That proportion results in a figure which is very ap-

preciable. It is in the area of perhaps \$4 to \$6 billion a year.

When I was in the Soviet Union, I found that the Communists play off one country against another, in the most crass way, as I shall explain in a moment. The important thing I wish to emphasize now is that, on the one hand, there is the feeling of those like myself, who believe that we should have trade, because it would be another area of contact. We do not want to have a completely blank wall facing us in the Communist bloc. We must get through somehow, and have some relations with the people of those countries, because in my opinion, a complete cutoff and a complete blank in that situation, would be far more conducive to war than would be some relationship. But we must watch that relationship, first, to see that Russia does not jeopardize us by shipping in strategic goods, and second, to see that even by non-strategic goods we do not so heavily supply the Communist bloc as to ease its own internal problems—for example, in connection with its shortage of food.

The other point of view would essentially cut off trade. In my view, we should be careful not to make trade with Communist countries so dangerous and tough to businessmen that they will not engage in it. We should examine the policy declarations of the Keating amendments, which my colleague has not yet called up, though I am confident he will, and the criminal section, which has now been referred. I have little doubt that the amendments may have to undergo some refinement to adjust the criminal sections which we already have, though they are very well drawn. My colleague is a very competent lawyer. Nonetheless, I see no reason whatever why we should not make it crystal clear that we regard the question as serious. The act makes it a misdemeanor, according to the penalty, to violate the Export Control Act. But section 1001 of the United States Code makes it a felony to make any misrepresentation or false writing or statement about the very matter covered by the Export Control Act. Before he can get a license, every exporter must submit an application. So there is now a penalty. Though it is for a different crime, it is equally effective as to those who would violate the Export Control Act by any misstatement to our officials. Obviously, if they did not make a misstatement, but intended to do something they should not do, the license would not be granted. In the first instance a felony would be involved. It would not be dependent on a second felony.

However, I see no objection to adopting criminal penalties, nor do I see any particular objection to adopting policy declarations. However, considerable concern has been expressed with respect to the disclosure-of-information amendment. I hope very much that in the course of the discussion we may be able to solve that problem, because it would place a very material danger in the path of businessmen who may wish to do perfectly legitimate business with nations behind the Iron Curtain—business which would be conducive to our national interest and to our foreign policy—by rea-

son of the types of disclosure of their business which it may require.

The thrust of my amendment which the committee and the Senate have agreed to is to bring about unity in our policy. I should like to address myself to that point briefly. When I interviewed the officials in the Soviet Union who deal with trade policy, it was very clear that they adopted the most callous attitude toward us, because, they said, "What do we care about what the United States does about this particular strategic material or that one? We have the money. What do you have to offer? We say that to you, we say it to France, we say it to Germany, we say it to Austria, we say it to Italy, and we say it to the United Kingdom. If you do not want to sell to us, it is immaterial to us. We will buy whatever we want, so long as we have the money, from one of the other countries."

Obviously that is a divide-and-ruin policy which is most conducive to Communist operations. It is a very persuasive and power weapon; first, in separating the Allies from each other and, second, in really getting the benefit of the technical know-how, the technology and skill of the whole Western World.

Let us remember that the leapfrogging which the Russians did in rocketry and missiles, and which to this very day is overshadowing our whole foreign policy, and indeed is having much to do with dictating it and jeopardizing very seriously the security of our own country and the free world, was attained not through the great exercise of Russian skills, but through the fact that the Russians captured all the know-how of Nazi Germany, as well as many of the technicians from that country. So what the Russians obtain in the way of technological know-how from the Western World enables them to accelerate their drive forward, and thus to do immeasurably better than they otherwise would do in the cold war.

What we are talking about is really substantive. It is not generality. It is the hard reality of power. The rate of productivity in the Soviet Union is estimated by our own estimators to be twice that of ours. That must be countered somehow. I have described one of the ways in which it can be done.

So it is critically important that we strive toward a greater unification of our policy. We have done very badly in that respect. We have a coordinating committee with all the industrialized nations of Europe, Japan, and Canada, called COCOM, but it is dispersed all over the land. The definitions are not the same. It is as full of loopholes as a sieve.

It is very damaging to us and extremely helpful to the Communists. It presents to the Communists the picture of a free world divided. What they preach to their people is that we are capitalists, and that the only thing we worship is the dollar. They say that here is the acid test, because they can buy anything they want almost anywhere else if they cannot buy it from this country, and that they can do it in a legitimate way, from any one of a dozen other countries, even if they cannot buy

it from us, and that it does not make any difference that they cannot get it from us. That is the situation, Mr. President.

Let us remember, also, that there is an absolute embargo on North Korea, and North Vietnam, and Communist China. Yet that embargo is nullified every day, because of the transshipments that the Russians are able to make with respect to anything that they can get from other countries and cannot get from us.

Therefore, I urge very strongly that the amendment, which is contained in the bill, calling for a unified trade policy is a critically important element of our foreign policy and a critically important part of the high strategy of our country. I express the expectation that the State Department and the President will understand that this means "business" and that they will do their utmost to make far more effective progress in that field than has been made to date.

I speak from personal experience when I speak of the impact this is having on the Kremlin.

I am gratified that the committee and the Senate has adopted the amendment. I hope very much that our colleagues in the other body will realize the effectiveness of the authority which is contained in the amendment.

I should like to make one other point in that connection, and that is this. With respect to the exports from the Communist bloc to the free world, the Communists have been playing fast and loose with us in the most massive way. I made a little speech with respect to the antidumping situation in the face of a state trading organization, such as exists in the Communist bloc. My colleague from New York [Mr. KEATING] has made a signal contribution on the threat of oil exports in Europe. That is a situation which is also being studied by the NATO parliamentarians conference, in which I am very heavily involved.

In other words, under these circumstances we are giving the Russians a weapon with which, once they are placed in the situation of supplying a commodity, they attain the capability of shutting it off, with the resulting tremendous dislocations which would be entailed in going to another source for such an essential commodity as oil.

There, too, it has been advocated that the free world should adopt uniform trade rules which would require of the Russians what we require of each other under GATT, to which the Russians obviously do not subscribe.

Mr. President, they are victimizing us both in terms of what they are importing from us, as I have discussed, and also in terms of what they are exporting to us.

We are in no way prepared for this very real economic warfare, of which at least the potential exists in the Soviet bloc.

It is for that reason that the amendment which is contained in the bill offers us such a tremendous opportunity of giving the President the backing of Congress in what should be a stern effort so indispensable to the security of the country and the defense of our foreign policy objective for peace.

Mr. SPARKMAN. Mr. President, let me say at the beginning that I have no objection to the penalty amendment which has been offered by the Senator from New York [Mr. KEATING]. My purpose is not to speak in opposition to it. Certainly there is no objection to a stiffer penalty for a second offense. I go along with him wholeheartedly on that provision.

We might be a little objective, however, as to the second part of the amendment. I have discussed it with the Senator from New York. It would impose a stiff penalty, which ought to be imposed upon the kind of offense covered there. However, there will be great difficulty in most cases in proving a willful act. The chances are that a great many cases will have to be handled, as the Senator from New York himself has suggested, as misdemeanors, simply because these cases often involve not just shipments to the Soviet bloc but transshipments, which might go through three or four different hands.

I can see that there could be doubt about the usefulness of this provision on the part of the Justice Department, and I understand it may want to question that particular part of the amendment because of the difficulty that might be involved.

However, I believe that the Senator from New York [Mr. KEATING] has made a reasonable statement on it and has recognized that difficulty, and realizes that in case the difficulty is too great, if there is failure to prove willfulness in connection with it, the accused could perhaps be convicted of the lesser offense of the same indictment.

In any event, I want to point out this problem which may be involved in this amendment.

The Senator from New York has three different amendments to the bill. It is my understanding with the Senator that we will accept two of them and that he will not insist upon the third. Letters were sent to the chairman of the committee, the Senator from Virginia [Mr. ROBERTSON], by the Department of Commerce; also from the Department of Defense, and the Department of the Treasury, and the Department of State, dealing with these proposed amendments. These letters, except the State Department letter, deal with all three amendments, and the Departments set forth their position on the three amendments. I ask unanimous consent that these letters may be inserted in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., June 20, 1962.

HON. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request that we comment on three amendments proposed by Senator KEATING to S. 3161 (extending the Export Control Act).

One proposed amendment would provide that certain violations of the Export Control Act should be subject to prosecution

as felonies rather than misdemeanors as under existing law. When the Export Control Act was revised several years ago the criminal sanction was reduced to a misdemeanor on the recommendation of the Department of Justice in order to permit U.S. attorneys some flexibility in proceeding by criminal information rather than by way of indictment. Our experience since that time suggests that there would probably be no enforcement advantage in making the change suggested by Senator KEATING. It should be kept in mind, in this connection, that in many violation cases under the Export Control Act there would also be involved the making of false representations to the Government within the purview of 18 U.S.C., section 1001, which is a felony statute. In other words, we already have the practical possibility of prosecuting on the basis of a felony statute. Also, there are usually a number of counts in export control cases, each of which carries a penalty of 1 year in prison and a substantial fine. We, of course, desire to make the fullest proper use of the criminal sanction in deterring export control violators. However, we cannot say as a matter of experience or logic that there is any demonstrated need for increasing that sanction and we, therefore, have no basis for urging your support of this amendment.

The second amendment consists of (1) a statement of fact that the Communist bloc is engaged in economic warfare against the United States and (2) a declaration of policy that we should use our economic resources and advantages in trade with Communist-dominated nations to further our national security and foreign policy objectives. We regard this amendment as simply stating in somewhat more specific and different language what is already contained in the existing law. The present findings of fact and declarations of policy have, in our judgment, proven entirely adequate to protect the national interest under changing conditions and should serve equally well in the future. We do not believe any additional provisions of this nature are necessary. Moreover, they would not add to or in any way improve the kind or extent of basic control authority already available. We do not, therefore, favor enactment of this amendment.

Senator KEATING's third proposed amendment would modify the present provisions of the Export Control Act dealing with the disclosure of information which may be obtained in the course of administering the act. Under present law, such information is not to be published or disclosed unless it is determined that to withhold it would be contrary to the national interest. Senator KEATING's proposed amendment would affirmatively require publication of all such information (except for "trade secrets submitted in confidence") unless it is determined that such disclosure would be contrary to national security.

We have several objections to this proposed amendment. In the first place, it goes far beyond Senator KEATING's stated purpose, as reported in the CONGRESSIONAL RECORD of June 15, 1962, at pages 10701-10702, to "reverse the presumption in the present law against disclosure of information relating to trade with the Communists." Actually, his amendment would extend to all license information submitted by exporters in connection with their export trade, whether with European allies, friendly nations of Latin America or Africa or Soviet-bloc countries.

Secondly, the only exception his amendment authorizes has to do with so-called trade secrets. Apparently this term means unpublished or otherwise secret plans, formulas, or processes, and it would not cover equally valuable and nonpublic trade information, such as the identity of an exporter's customers, the nature and terms of the orders he receives from them, the exact prices and quantities involved, and so on.

We have noted Senator KEATING's statement to the effect that the presumption in any area of governmental activity should be in favor of disclosure and that he cannot recall any act of Congress, except possibly those concerned with military defense, making a presumption against public information. The fact is, I am informed, there is a longstanding provision of the United States Criminal Code (18 U.S.C. 1905) which makes it a crime for any Government officer or employee to disclose in any manner or extent not authorized by law any information he may receive officially from a business firm regarding not only its trade secrets but also the amount and source of any income, profits, losses, expenditures, and the like. In other words, contrary to Senator KEATING's impression, it is general policy not to publicize information of this nature. And, it was such policy (which also prevails in laws dealing with the collection of business data for other official purposes) that the Congress had in mind when it decided some years ago to enact the present provisions of the Export Control Act properly preserving some degree of protection (consistent with the national interest) to private citizens from whom information is necessarily elicited in administering and enforcing the Export Control Act.

As you know, we reviewed the question of export control information very carefully last year, shortly after this administration took office. The previous administration had been making public only the regular quarterly report on export control which is furnished all Members of Congress. (A copy of the most recent quarterly report is enclosed for your convenient reference.) We reached the conclusion that we should make available more information on export licensing and on a more frequent basis than had previously been done. Accordingly, we began the practice last year of issuing, Mondays through Fridays, a list of export licenses approved by the Department of Commerce. This list gives the name of the commodity, the total dollar value, and the country of destination for each export license approved by the Department. For your convenient reference, two copies each of our daily report for June 14 and 15 are enclosed.

It is my considered judgment that, in terms of the proper public interest, the vital information on the details of approved export licenses is what commodity has the Government authorized to be exported to what country and in what amount. This latter factor could be stated either in dollar value or in number of units. The only question raised with us last year, and the only question that has been raised since, by a few people, is why we do not publish the names of the export applicant. The argument is made that we "ought to know who it is that would dare to make exports to Soviet bloc countries." It seems that this argument ignores entirely the essential fact that authorized Government officials make the decision to license certain exports whether to a Soviet bloc country or to any country outside the Soviet bloc. On the basis of plain and obvious administrative merit, there is no good reason why the Government should publicize individual names of applicants for exports to certain countries and not publicize the same information for all countries. Yet Senator KEATING, by his own statement, is interested only in publicizing the names of applicants for exports to the Soviet bloc.

We respectfully suggest that any Member of Congress or any member of the public can look at the regular daily report which the Department of Commerce began publishing only last year, and can assess the issue of exports to Soviet bloc countries or anywhere else in the world in terms of the total national interest. One reason we have heard during the past year for publicizing names of export applicants is to make this

information available to a very few trade papers which apparently feel they would improve their circulation among the export trade by being able in effect to publish a daily list of export orders, by company. Certainly this is hardly sufficient to support a policy reversal by the U.S. Government.

Senator KEATING also referred in his remarks reported at page 10702 of the CONGRESSIONAL RECORD to "some disputes in recent months by the investigating committees of Congress and the departments of Government administering export controls as to the conditions under which this information should be made available." On that point, Senator KEATING apparently has in mind the report of the House Select Committee on Export Control, copy of which I enclose. As a matter of fact, this Department furnished to the House committee the names of export license applicants and detail about the license application on every case requested by the House committee. That information was furnished to the committee with the full agreement of the committee that the names of individual export license applicants should not be published but should be handled on the same basis as handled by the executive departments. The information which was not furnished to the House committee, and on which a question was raised, concerned the specific advice and recommendations of staff personnel in the various departments, and at various levels, in processing export license applications. We took the position that the head of the Department of Commerce must step forward and assume full responsibility for the decisions this Department has made on export license applications and that staff personnel should not have to defend before an investigative committee their individual efforts to carry out the policies of this administration. (And I would emphasize very strongly that the policies on export control which have been followed since January 1961 have been basically the same as followed for several years prior to that time except, as the records will show, we have exercised a more strict scrutiny of license applications and the amount of exports to Soviet bloc countries during the past year and a half has decreased compared to the immediate preceding level of exports to these same countries. This same pattern of fluctuation, in the light of changing international conditions, is apparent for the previous administration.)

I would also comment that our position with reference to the role of staff personnel processing license applications is no different from what has been expressed on numerous occasions before, by administrations of both political parties.

Finally, with regard to the disclosure of information issue which Senator KEATING raises, I would observe that the majority of the Democratic members on the House Select Committee on Export Controls did not take issue with the manner in which this Department and others cooperated in furnishing very detailed information on a large number of export license applications.

I would also observe that the Internal Security Subcommittee of the Senate Judiciary Committee has within the last several months conducted studies of export control under the chairmanship of Senator DODD. I am informed that Senator KEATING is a member of that subcommittee. We are not aware that the subcommittee made any issue whatever about wanting to know what detailed recommendations and actions specific staff personnel took on individual export license applications, nor that the subcommittee raised any objection against our request not to publicize export license information which we obtained in confidence, and which we freely made available to the subcommittee on the same basis for its investigative purposes.

In summary, we have always made available and will continue to make available

to any congressional committee detailed information contained on any export license application, including the name of the licensee applicant. We do ask only that the committee receiving such information treat it on the same basis as does the Department; that is, not publicize business trade information that the Department itself does not publicize. Second, the only reservation expressed to any congressional committee concerned the identity and specific action taken by various staff people in the Department in processing a license application. We have furnished and will continue to furnish full information on the detailed considerations, the reasons pro and con, on any license application and we have furnished and will continue to furnish information on all personnel and their backgrounds who may work in this area. It should clearly be understood that the ultimate position of the Department of Commerce on any export license application is the Secretary's responsibility, whether the decision later looks good or looks bad. There is nothing in the present language of the Export Control Act which prohibits disclosure of information, either to the public or to the Congress. We do not believe that Senator KEATING has, as a matter of fact, any substantial case for criticizing the administration of the Export Control Act during the past year and a half in the terms that any of his amendments imply. Therefore, we cannot avoid the conclusion that these amendments are unnecessary, and we cannot endorse their adoption.

Sincerely yours,

EDWARD GUDEMAN,
Acting Secretary of Commerce.

(Enclosures.)

DEPARTMENT OF STATE,
Washington, June 21, 1962.

The Honorable A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate.

DEAR MR. CHAIRMAN: The Department welcomes your request to comment on the amendments proposed by Senator KEATING to S. 3161. The comments will be restricted to those two amendments which propose additions to sections 1 and 2 of the Export Control Act. These additions read:

"The Communist bloc is engaged in economic warfare against the United States and the free world, and strong economic measures are necessary to preserve our freedom and security.

"The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign-policy objectives of the United States."

The Department believes that the existing Export Control Act provides ample authority for any level of control, up to and including a trade embargo, that is deemed likely to advance the national security position of the United States, and allows to the executive branch the required flexibility in the application of such controls.

The U.S. Government long has recognized that economic policy toward the Sino-Soviet bloc is an instrument of overall U.S. policy toward the bloc and of total U.S. national strategy, and has so used this instrument. It is the Department's view that the present Export Control Act and present export control policy are realistically adapted to U.S. security requirements and to the world situation, and that the enactment of these amendments would not require a change in present policy. While cooperating with allied and friendly nations in a system of multilateral security trade controls, the United States is not prevented from applying controls unilaterally or differentially. The United States can and does restrict more items of trade with the Soviet Union than

do its allies. The United States maintains a full embargo on Communist China, North Vietnam, and North Korea, and very tight controls toward Cuba.

As an instrument of policy during a crisis situation, export controls can and do provide a means of putting pressure on Soviet bloc leaders to force them, short of a resort to arms, to realize the free world's determination and to reconsider their own course of action. To be most effective, however, there must exist some trade of importance to the bloc, whose termination would have an adverse impact on the bloc, and there must be flexibility in determining the degree of severity of the controls. The present Export Control Act allows such trade and provides the required flexibility to allow the United States to tighten controls against any or all members of the Soviet bloc when this is judged to be advantageous.

In the circumstances that have prevailed since international tensions were heightened by Soviet actions with respect to Berlin in 1961, this Department and other agencies of the Government have reviewed on frequent occasions the application of the Export Control Act. The United States has also had discussions with its allies in the North Atlantic Treaty Organization concerning the application in certain contingencies of greatly expanded trade controls on the Soviet Union. It is expected that trade control policy will continue to receive active attention on the part of the United States and on the part of its major allies, so long as international tensions remain substantially undiminished.

On the other hand, the free world must maintain and expand contacts with the Soviet Union and countries of the bloc which will influence them over the long run to become more responsible and peaceful members of the community of nations. Trade relations are an important channel, and one of the few channels, of communication with bloc countries, and it is on this basis that the maintenance of commercial contacts and of trade in peaceful goods with the bloc has been encouraged. It has been this Government's aim, likewise, to encourage greater independence of action on the part of the Soviet-dominated nations. A policy of selective trade relations, fully in accord with existing export control legislation, has contributed and can contribute further to the attainment of this aim.

The application of much more stringent controls, except in a period of great crisis, would increase the degree of economic interdependence within the Soviet bloc, would further limit peaceful relationships between the bloc countries and the free societies of the West, and would enhance the central position and control of the Soviet Union within the bloc.

In summary, the Department does not believe that the proposed amendments would add to or in any way improve the kind or extent of basic control authority already available. Therefore, their inclusion in this legislation is unnecessary.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, June 20, 1962.

The Honorable A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: There have come to the attention of the Treasury Department amendments proposed by Senator KEATING to S. 3161 (extending the Export Control

Act). The Commerce Department has made available to us its report to you of today's date in which it sets forth the reasons why it is opposed to these amendments. The Treasury Department is also opposed to these amendments for the reasons fully set forth in the Commerce report.

In addition, we wish to bring to your attention a further consideration relating to the amendment to section 6(c) of the act offered by Senator KEATING which would change the requirements governing the disclosure of information obtained by the Department of Commerce in connection with its administration of the act. We feel that this provision is objectionable on the ground, in addition to those stated by the Department of Commerce, that it would have a tendency to discourage exports to free-world countries of goods and technical data subject to the Department of Commerce's licensing controls in certain cases where for private business reasons the prospective exporter would not wish to run the risk that information concerning his business transactions, e.g., prices, customers, etc., might be made public. As you know, in dealing with our current balance-of-payments problem a key part of the administration's program involves efforts on various fronts to promote increased exports. While no estimate can be made as to the magnitude of exports which might be deterred by a provision on disclosure such as that proposed by Senator KEATING, we believe that the effect on U.S. exports could be significant. This risk to our existing and potential exports is one which we feel under present conditions should not be taken, particularly since, for the reasons indicated in the Commerce Department report, we feel that adequate arrangements now exist for appropriate disclosure to the public and to the Congress of information relating to the administration of the Export Control Act.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Sincerely yours,

ROBERT H. KNIGHT,
General Counsel.

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., June 22, 1962.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate.

DEAR MR. CHAIRMAN: Reference is made to your informal request for the views of the Department of Defense with respect to the three amendments proposed by Senator KEATING to S. 3161, 87th Congress, a bill to provide for continuation of authority for regulation of exports, and for other purposes.

The Keating amendments and the reports submitted to your committee by the Departments of State, Treasury, and Commerce have been reviewed in the Department of Defense.

The Department of Defense is in general agreement with the position taken by those Departments and recommends that the amendments not be adopted.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

L. NIEDERLEHNER,
(For Cyrus R. Vance).

MR. KEATING. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement with respect to the report of the Department of Commerce.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The statement is as follows:

STATEMENT BY SENATOR KEATING

Last week I submitted three amendments to the bill to extend the Export Control Act which I intend to offer at the appropriate time. The amendments are designed to offer guidelines for a more effective response to Communist economic warfare tactics, to increase the penalties for willful or repeated violations of export controls, and to provide a fuller disclosure of information about export policies.

The Department of Commerce has now submitted a report which is critical of these proposed amendments. This report, in my judgment, actually offers further evidence of why these amendments are urgently required. This report certainly has not dissuaded me and I doubt if any Member who has had an opportunity to study the operations of the Export Control Act will find the Department's position convincing.

The first amendment considered in the Department's report relates to the criminal sanctions for violations of export controls. The present law provides that violations of export control laws are a misdemeanor regardless of the circumstances. The Department indicates that this provision was intended to allow flexibility and that neither experience or logic indicates any need for increasing the sanction.

Frankly, I cannot follow the experience or logic of the suggestion that a blanket misdemeanor penalty for all export violations provides enforcement flexibility. Violations of export controls can involve such varied items as boron for missile fuel or surplus feed grains. The methods employed in violations can range from the failure to stamp appropriate destination notices on shipping documents to premeditated diversions or transshipments of the goods or data. The beneficiaries may be members of the Communist bloc, neutrals, or even nations of friendly countries. The offenders may have acted out of ignorance or out of a conscious desire to flout the law. It is absurd to suggest that enforcement flexibility is provided by the imposition of a misdemeanor penalty in all such cases.

My amendment retains the misdemeanor penalty of the present law for cases which do not involve willful violations of export controls or knowledge that such violations are for the benefit of any Communist dominated nation. In such cases, unless a second or subsequent criminal offense is involved, the maximum penalty would continue to be 1 year imprisonment and a fine of \$10,000. In this manner real enforcement flexibility is preserved—not the kind of flexibility which allows a district attorney to avoid a grand jury indictment in serious cases, but the kind of flexibility which permits a punishment to be imposed which fits the crime.

The second amendment to which the Department of Commerce objects consists of a statement of fact that the Communist bloc is engaged in economic warfare against the United States and a declaration of policy that we should use our economic resources and advantages in trade with Communist dominated nations to further our national security and foreign policy objectives. Describing this amendment as "unnecessary," the Department states: "The present findings of fact and declarations of policy have, in our judgment, proven entirely adequate to protect the national interest under changing conditions and should serve equally well in the future."

I simply cannot understand how anyone familiar with the administration of export controls in past years can express such satisfaction with their adequacy. The

truth is that Communist procurement from the United States as well as other Western countries has been a major factor in the development of Communist industrial and military strength. We have furnished the Communists with machinery, technical data and raw materials urgently needed in the development of their economies. We have received nothing in exchange for this valuable technology which we could not get from other sources. Our supplies to the Communist bloc have made it possible for them to maintain a foreign aid program in competition with our own. Our supplies to the Communist bloc have enabled them to concentrate their own resources on dramatic and important developments like sputnik and lunik. Our supplies to some Communist nations even have enabled them to furnish parts and equipment to Cuba and Red China on which we maintain a complete embargo. How can anyone express satisfaction with the standards in the Export Control Act which allow such conditions?

Recent investigations of the administration of export controls conducted by the Senate Internal Security Subcommittee as well as a select committee in the other body have disclosed many such transactions. It has been established beyond any doubt, for example, that dozens of licenses have been approved for exports to the Communist bloc over the objections of the Department of Defense. Unlike Mr. Gudeman, the President was sufficiently impressed with the results of these investigations to establish a new Export Review Board consisting of the Secretaries of Commerce, Defense, and State Departments. Unfortunately, the President did not at the same time spell out clearly the standards this Board was to follow. It is up to Congress to do this by amending the act to make it clear that we were prepared to take whatever steps were necessary to counter Communist economic warfare tactics. It is this gap in the law that my amendment is intended to fill.

It is no wonder, in view of Acting Secretary Gudeman's complete satisfaction with the way export controls have been operating, that he has reserved his strongest criticism for my third amendment—an amendment designed to provide maximum information about this program to the American people and the committees of Congress. The present Export Control Act actually contains a presumption against disclosure of any information. Acting Secretary Gudeman seriously contends that this is in harmony with the general policy of the Government.

In my judgment, such a point of view is a threat to the right of the people to know about the operations of the Government and to get the information essential to pass judgment on the wisdom of particular policies. I cannot believe that President Kennedy would subscribe to the Gudeman approach to problems of public information. During the campaign the President strongly criticized efforts to suppress important information. He quoted the Biblical injunction, "Ye shall know the truth and the truth will make ye free." He expressed his confidence that the American people "if they are armed with the truth, can be trusted to make the right decision." These statements cannot be reconciled with Acting Secretary Gudeman's pronouncements. If this were called to the attention of the President, I am sure he would repudiate the Gudeman report. Those in the Congress who trust the people, who believe in the right to know, and who want our congressional committees to be able to get the information they need to do a proper job, should do the same.

Mr. KEATING. Mr. President, it has been said that although the amendment as now worded provides that it shall be a misdemeanor to violate the Export Control Act, a conviction could be ob-

tained under other provisions for false statements. I will give one illustration which will make it clear that that is not always the case. There is no export control of any kind on shipments to Canada. It is not necessary to represent anything to the Government in order to ship goods to Canada. Goods have been transshipped from Canada to Communist countries. That will happen again. When it happens the next time, I hope that this amendment will help to put a stop to such a practice.

I am grateful to the distinguished Senator from Alabama, who is always cooperative and has been willing to accept the amendment.

Mr. SPARKMAN. Mr. President, I desire the record to be clear that I did not say anything about false statements.

Mr. KEATING. That is very true. I was not referring to any statement of the Senator from Alabama.

Mr. SPARKMAN. I merely referred to the difficulty which would be imposed upon the judicial branch of the Government to prove willfulness, particularly when several different transshipments might be involved. I thought the Senator from New York had satisfactorily explained that if difficulty arose, the Government could proceed under the misdemeanor statute, or perhaps an indictment could be so drawn as to obtain a conviction for the lesser offense.

I should like to make one more insertion in the RECORD. It involves enforcement activities. I should like to get across the idea—and I am sure the Senator from New York will agree with me—that the Export Control Act has not been a dead letter by any means. It has been quite actively enforced. I notice that during the first quarter of this year \$343,590 worth of shipments were apparently destined for Cuba. There has been a total seizure of 53 different shipments valued at \$502,497. Of that number, four, having a value of \$343,590, were destined for Cuba.

During the past 2 years, according to the report from the Secretary of Commerce, shipments to the value of \$1,335,066 have been made. I think Senators will be interested to know that of that amount \$513,003 was apparently destined for Cuba. Cuba did not come under the act until within the last year or two. So during that time there have been seizures of half a million dollars' worth of shipments destined for Cuba.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the hearings on S. 3161, beginning at page 23 of the hearings, entitled "Legal Enforcement Activities." This information was furnished to us by the Department of Commerce.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

LEGAL ENFORCEMENT ACTIVITIES

Both criminal and civil penalties as well as administrative remedial sanctions may be invoked against violators of the export control regulations. Under the Export Control Act, violators are punishable by fine and imprisonment. By regulation, provision has been made for denying U.S. export privileges to American and foreign companies and individuals pursuant to administrative com-

pliance proceedings instituted in connection with violations of the export regulations. In addition, the customs collectors have authority to seize and have forfeited goods being or attempting to be exported contrary to the export regulations.

This report is concerned with export control enforcement cases handled between January 1, 1960, and December 31, 1961. Earlier cases were reported to this committee at the 1960 hearing on the prior extension of the Export Control Act.

During this period, 45 temporary, indefinite, and final export denial orders were issued against more than 142 American and foreign individuals and companies for various kinds of violations of the export regulations, including 32 orders involving actual or attempted transshipments to the Sino-Soviet bloc and Cuba. The other 13 orders involved such violations as misuse of export licenses, falsification of shipper's export declarations, and other export control documents, violations of outstanding denial orders, smuggling of goods from the United States, and other negligent or willful offenses not related, however, to transshipments to the Sino-Soviet bloc countries.

The orders which deny export privileges describe the nature of the case, and in the decretal portion provide for the denial to the respondent of the privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data in whole or in part exported or to be exported from the United States to any foreign destination, including Canada, for a determined period of time (with or without probationary terms) ranging up to the entire duration of U.S. export controls. The orders are made applicable not only to the respondents but also, to prevent evasion thereof, to any other individual or firm with which he is or may become related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or services connected therewith. Each denial order also contains a notice that no third person may perform any acts with or for the benefit of the denied party which he is prohibited from doing by the order.

Final orders are issued following a detailed notice of charges to the respondent, a hearing based thereon, and findings that violations have occurred. Temporary orders are issued, when necessary, without notice, to protect the public interest pending the continuation or conclusion of an investigative or administrative or judicial proceeding. Indefinite orders are issued when companies or individuals fail or refuse to answer questions of the Department regarding their participation in suspected transshipments or other unauthorized transactions and remain in effect until the party answers or gives a satisfactory reason for not doing so.

The full text of each denial order is published in the Federal Register. The Department issues a press release at the time that each denial order is issued. The substance of these press releases describing the nature of each of the cases are contained in the quarterly reports submitted by the Department to the Congress in accord with the Export Control Act. The quarterly reports also contain actions which are taken in criminal cases involving export control violations. The lists of firms and individuals in the United States and abroad currently under export denial orders, the respective Federal Register citations, and the export privileges denied (and probation periods) are regularly published in the comprehensive export schedule issued by the Bureau of International Programs. These lists are separately reprinted and receive wide dissemination here and abroad.

On December 31, 1961, the BIP investigations staff had 99 investigations in process, of which 68 percent involved reports of

transshipment, 10 percent smuggling of goods from the United States, 6 percent violations of BIP denial orders, and 16 percent other offenses, principally misrepresentations in connection with obtaining or maintaining in effect official documents relating to exports.

We may add that as of May 1, 1962, there were 8 administrative cases awaiting hearings or decisions involving over 30 American and foreign individuals and companies. Of these, seven involve charges of attempted or actual transshipments to the Sino-Soviet bloc. Eleven other cases are presently pending in the Office of the General Counsel of the Department, transferred to it by the BIP investigations staff, being reviewed for administrative compliance proceedings and/or criminal or other disposition. Nine of these cases involve actual or attempted transshipments to the Sino-Soviet bloc and Cuba.

By a separate Federal law the Bureau of Customs is authorized to seize and have forfeited to the United States, commodities attempted to be exported in violation of export controls. This seizure sanction has continued to be applied in appropriate cases and during the past 2 years, 646 seizures were made involving U.S. goods valued at more than \$1,335,066 (27 of these seizures, all in 1961, with a total value of \$513,093 concerned shipments apparently destined for Cuba).

Criminal prosecutions and administrative export denial proceedings are contemplated by the Export Control Act and the regulations issued thereunder. Criminal prosecutions are traditionally for punitive and deterrent purposes. Administrative proceedings are, however, primarily remedial and deterrent in nature, and are designed to protect the integrity of export controls against abuse by denying export privileges to those who, through willful or careless misconduct, have demonstrated their unreliability as shippers, handlers, or recipients of U.S.-origin commodities and technical data. The decision to institute one or the other, or in some cases both of these procedures, depends, among other things, on the gravity of the offense, the intent, past record, and reputation of the offender, and what is especially significant in this field of international offenses, the availability of the kind and quantity of evidence that is required by Federal courts in criminal cases.

In considering the utility of the criminal sanction as a means of enforcing the Export Control Act, it is important to bear in mind that such cases cannot feasibly be brought against foreign persons not subject to U.S. jurisdiction for prosecution, and that the success of such prosecutions against American parties is substantially limited by the difficulty of producing for appearance and use in our courts the necessary witnesses and documentary evidence as required by our Constitution and laws in criminal cases. Witnesses and documents located in foreign countries are often the only sources of evidence to establish the U.S.-origin goods were transshipped, diverted, or reexported to the Sino-Soviet bloc, and the identity of the persons responsible therefor. Inability to compel attendance in our courts of such foreign witnesses and the production here of such foreign documentary evidence, by subpoena or otherwise, may make it impossible for the Government to prove a criminal case since hearsay evidence is inadmissible, depositions are confined to very narrow limits, and in some cases only evidence classified for security and foreign policy reasons may be available which could not be used without breach of classification.

Considering that the national security and foreign policy objectives of the act would be frustrated if known transshippers and other violators could not be prevented from continuing to export, handle, receive, and reex-

port U.S.-origin commodities and technical data, and that administrative export denial proceedings are available for the remedial purpose of protecting the integrity of the export control system against harms from demonstrably unreliable persons, here and abroad, the Department has followed the practice of using such proceedings against foreign violators and against American violators where criminal prosecution would not be appropriate or could not be successful for the foregoing reasons. While the Department's regulations adopted under the Export Control Act undertake to provide both American and foreign respondents as fair a notice and administrative hearings as is practicable, it must be recognized that it is necessary, for the above reasons, to employ such proceedings even when proof of transshipment and culpable participation cannot be adduced in a form traditionally acceptable in our criminal courts. Thus, these elements of the Government's case may be established by probative hearsay evidence, which is admitted in accordance with general principles of administrative law.

Furthermore, in some cases the only available proof of transshipment and culpable participation may be classified information reported by U.S. intelligence and investigative agencies operating here and abroad. To protect their confidential and secret sources, which are often of a foreign governmental nature, it is generally required by law and Executive order, and for national security and foreign policy reasons, that this classified information be used only in such a way that the source will not be identified to the respondent. The Department's practice is to accomplish this by offering in evidence as part of the Government's case an unclassified summary of the classified information, upon a finding by the hearing officer that he has compared the summary with the original classified report, and that he is satisfied that the summary is fair and accurate, omitting only what is required to be kept confidential. The summary is available to the respondent for use in presenting his defense to the administrative charges.

This procedure is deemed to provide the fairest practicable means of using classified information which it is necessary to use to prevent frustration of the national security and foreign policy objectives of the act. The use of such information in this way is deemed to be authorized by the provisions of the Export Control Act, construed in the light of its legislative history, and by the regulations adopted thereunder, as well as by general principles of administrative law applicable to cases involving national security and foreign policy and the use of classified information therein.

The Department has found administrative export denial proceedings to be an effective means of enforcing the Export Control Act because of the substantial economic impact of denial orders on the American and foreign firms affected directly and through the deterrent impact of publicity.

Mr. BUSH. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BUSH. I think the amendments the Senator from New York is proposing are very important. One of the major areas of disagreement between our free world allies and ourselves is the question of East-West trade. This has been discussed in the Joint Economic Committee; and although I do not think there is unanimous agreement, I do think there is a very strong feeling that there must be better agreements between ourselves and our free world allies.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The VICE PRESIDENT. The hour of 12 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

REGULATION OF EXPORTS

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate resume the consideration of Senate bill 3161.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

The Senate resumed the consideration of the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes.

Mr. BUSH. Mr. President, I think the sentiment of the Joint Economic Committee is somewhat expressed by the Javits amendment to this bill, which "further declares that it is the policy of the United States to formulate, reformulate, and apply such controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated nations."

In my judgment the Javits amendment points up the necessity for adoption of the Keating amendments.

Mr. SPARKMAN. Mr. President, at this point I should like to comment on what the Senator from Connecticut has said about the Joint Economic Committee. He may be pleased to know that the Javits amendment originated from the proceedings of the Joint Economic Committee.

Mr. BUSH. I am glad to know that, and am very proud of it.

But my point is that the Keating amendments are very important in order to implement the Javits amendment, because they say, in effect, that we mean business and that we are going to tighten up.

I think there should be a ye-a-and-nay vote on this question, to show that it is the sentiment of the Senate that we should tighten up.

I appreciate the Senator's willingness to accept the amendments and take them to conference. However, I have seen many amendments accepted and taken to conference, as I am sure the Senator from Alabama has, too; and I am of the opinion that amendments accepted and taken to conference, and not made the subject of a ye-a-and-nay vote in the Senate, really do not have much force and effect in the conference. However, I believe it important that the Keating amendments have force and effect in the conference, so they will become a part of the bill.

Therefore, I intend to ask for the yeas and nays on the question of agreeing to the Keating amendments; and if the ye-a-and-nay vote cannot be taken today, I am perfectly willing to have it postponed until Monday.

However, when I spoke to the majority leader about this matter, he said that if a vote is to be taken, it must be taken today. So I am perfectly willing to vote now, and I am ready to vote, because ample notice has been given.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Ample notice has been given to Senators that three votes, probably rollcall votes, might be taken today. Therefore, it cannot be said that ample notice has not been given.

Mr. BUSH. I agree, and I am ready to ask for the yeas and nays.

Mr. SPARKMAN. Mr. President, this is a little embarrassing to me, because after the Senator from New York [Mr. KEATING] and I discussed these amendments, I told several Senators that an agreement had been reached. Although I did not specifically state that there would not be a rollcall vote, yet they may have assumed that that was the situation.

I am perfectly willing to have a ye-a-and-nay vote taken. The Senator and I discussed the situation which exists when amendments are casually taken to conference. I assured him that it was not my intention to take these casually to conference; and I said that if I were a conferee—and I assume I shall be—it would be my purpose to defend the position taken by the Senate. I believe that will be true insofar as all the Senate conferees are concerned.

So I say to him that I do not believe there is a necessity for a ye-a-and-nay vote because of any fear along the line he has mentioned, even though I know the situation to which he has referred often exists.

Mr. BUSH. Mr. President, I am pleased to hear the Senator's statement. But I believe there should be a ye-a-and-nay vote in order to strengthen our position on the amendments. I thank the Senator for his statement as to the position he will take in the conference.

Mr. SPARKMAN. And I shall take it in cooperation with the Senator from Connecticut.

Mr. BUSH. I thank the Senator for that suggestion, although I had not counted upon being one of the conferees.

Mr. SPARKMAN. The Senator from Connecticut usually is one of the Senate conferees on such measures.

Mr. BUSH. Mr. President, I am one of a number of Senators who have come to the Chamber today in the expectation of voting on this bill. These amendments are very important. However, I would be glad to have one vote taken on the three amendments, en bloc, and then a vote on the bill as thus amended.

Mr. KEATING. Mr. President, I am a little embarrassed by this development. Of course, I confirm completely the statement the Senator from Alabama has made. As he has said, we discussed the problem which so often exists when

amendments are accepted and taken to conference, where it is easy to slough off the amendments. But it would be improper for me to sit here and not state that the Senator from Alabama and I did reach an agreement.

I cannot object to the taking of ye-a-and-nay votes. I suggest that perhaps a vote on the question of passage of the bill after the amendments have been adopted would enable the Senate to dispose of the entire measure by one vote.

Mr. BUSH. Mr. President, I should be glad to modify my request in order to call for one ye-a-and-nay vote on the question of passage of the bill after the amendments have been adopted.

Mr. MANSFIELD. Mr. President, on this question, I ask for the yeas and nays.

Mr. SPARKMAN. Mr. President, first let me point out that there are two amendments.

Mr. KEATING. First, Mr. President, in order that Senators may not be misled, let me say that my agreement with the Senator from Alabama was that two of the amendments would be accepted, and that I would explain the third one. And that at the conclusion of the explanation, after pointing out that perhaps some further hearings are desirable, I would withdraw that amendment. So it is not my anticipation that the amendment relating to publicity will be voted on with the others.

Mr. MORSE. Mr. President, I rise to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Oregon will state it.

Mr. MORSE. I entered the Chamber a little late, and I am somewhat at a loss to understand what the pending proposal is.

I understood the Senator from Connecticut to offer to withdraw some request, on the condition that he would have some assurance that the amendments would be adopted, and that then there would be a ye-a-and-nay vote on the question of passage of the bill as thus amended.

Such a procedure would be a most unfortunate precedent to establish. If the Senator wants a ye-a-and-nay vote taken on the amendments, I am perfectly willing to have that done; but I do not wish to have tied to an agreement for a ye-a-and-nay vote a commitment that some amendment or amendments will be adopted, because first we must find out what the amendments are. At this time I do not know whether I shall vote for them or not.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. I think all the Senator has to do is obtain an order for the yeas and nays on final passage, so that if another Senator wants a roll call on something else he may get it. I may want a roll call on an amendment. I am not going to tie myself to a commitment that I will not have a roll call on an amendment. I will agree to a roll call on final passage.

Mr. MANSFIELD. No Senator is bound. This request is for a roll call on final passage. If any Senator wants

to ask for the yeas and nays on an amendment, he is at liberty to do so.

Mr. MORSE. That is why I put the parliamentary inquiry. I will let the record speak for itself, but I think there could be such an interpretation that we were voting to tie ourselves to a roll call on the amendment.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I think we should make it absolutely clear for the legislative record that the reason why the Senator from Connecticut wanted roll calls on the amendments was so they would remain in the bill in conference. Therefore, it is very hard for this intention to come through unless there is a roll call on the amendments.

Mr. MANSFIELD. It is all right with me. I do not care.

Mr. PROXMIRE. One roll call on final passage would not mean anything to the conferees and would have no significance in showing how we felt on the amendments.

Mr. MORSE. There has to be a roll call on the bill, and if so, why not have a roll call on the amendments?

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BUSH. I had assumed, having talked with the majority leader, that if we voted on final passage we would be voting on the bill as amended and the vote would show that we wanted to be recorded in favor of the amendments in the bill, rather than just taking the amendments to conference, as the Senator from Alabama has offered. If any Senator wants to call for a vote on the amendment, I will support it.

Mr. KEATING. Mr. President, will the Senator yield to me for another suggestion which I think might expedite the proceedings?

Mr. BUSH. I yield.

Mr. KEATING. That is to have one vote on the two amendments, instead of two separate votes on the two amendments which the Senator from Alabama has agreed to accept. If that were done, I would not think there needed to be a rollcall on final passage.

Mr. JAVITS. Mr. President, if the Senator will yield, I will ask for a vote on final passage if we have a vote on the amendments.

Mr. PROXMIRE. Mr. President, the Senator from New York's suggestion is a good one. If there is a rollcall on the amendments, then a rollcall on the final vote will not be necessary. It is the amendments that are vital.

Mr. MANSFIELD. Mr. President, on that basis I ask unanimous consent that my previous request for the yeas and nays on final passage be vacated.

Mr. JAVITS. Mr. President, reserving the right to object—

The VICE PRESIDENT. The Senator from Montana withdraws his request. The yeas and nays have not been ordered.

Mr. BUSH. Mr. President, I now ask for the yeas and nays on the amendments en bloc.

Mr. SPARKMAN. En bloc.

Mr. BUSH. On the two amendments en bloc.

The VICE PRESIDENT. The Senator from Connecticut asks unanimous consent that the Senate may have one rollcall on two amendments, one of which has not been offered. Is there objection? The Chair hears none.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on final passage.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KEATING. Mr. President—

Mr. MANSFIELD. Mr. President, if the Senator will yield, I am surprised that the Senator from New York [Mr. JAVITS], whom I was trying to accommodate so he could leave at a reasonable hour this afternoon to keep an important engagement, wants to have a rollcall on the two amendments and final passage. To me it makes no difference, but I thought in withdrawing the request, I was complying with the accommodation of the Senator from New York.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. The Senator from New York [Mr. KEATING] has the floor.

Mr. JAVITS. I do not think so.

Mr. MANSFIELD. I am glad to yield.

Mr. JAVITS. I make this statement so that both of us may clearly understand each other. When I came here today it was in the expectation that we would agree on some amendments and have rollcalls. If we are going to have rollcalls, as obviously we are, I think we should have one on final passage, because, with all respect, I consider the amendment to section 2 in the bill to be fully as important as the amendments on which we will have a vote. If the intention of the Senate is to express itself on rollcalls as to the critical importance of these amendments in conference, I want that valued judgment to apply as well to the amendment which the committee adopted. I do not think we are saving any time, once Senators are going to be recorded, if we do not record them on final passage, because that is the only way to record them on the committee amendment as well as the amendments offered by my colleague. I suggest this is the right thing to do.

I make the parliamentary inquiry as to whether the yeas and nays on final passage have been ordered.

The VICE PRESIDENT. They have been.

Mr. JAVITS. I thank the Senator.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Connecticut will state it.

Mr. BUSH. Would it be in order to request unanimous consent that the Senate vote on final passage immediately following the vote on the amendments, in order to conserve the time of the Senate?

The VICE PRESIDENT. It can be done by unanimous consent, if the Senator wants to close off debate.

Mr. BUSH. In order that Senators will be on notice when they come to the floor, I ask unanimous consent that following the yeas-and-nays vote on the

amendments the Senate immediately proceed to vote on final passage without intervening business.

Mr. DWORSHAK. Mr. President, reserving the right to object, I intend to offer an amendment.

Mr. MANSFIELD. Mr. President, I object.

The VICE PRESIDENT. The Senator from Montana objects.

The question is on the amendment of the Senator from New York.

Mr. KEATING. Mr. President, under the parliamentary situation, would it be appropriate for me now to call up, or simply to explain, the amendment which has been the subject of all this colloquy?

Mr. BUSH. I suggest the Senator call it up.

Mr. KEATING. I call up my amendment designated "6-15-62-C."

The VICE PRESIDENT. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed at the end of the bill to insert the following new sections:

SEC. 3. Section 1 of the Export Control Act of 1949, as amended, is further amended by adding a new subsection (c) as follows:

"(c) The Communist bloc is engaged in economic warfare against the United States and the free world, and strong economic measures are necessary to preserve our freedom and security."

SEC. 4. Section 2 of the Export Control Act of 1949, as amended, is further amended by adding at the end thereof the following new paragraph:

"The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States."

Mr. KEATING. Mr. President, this amendment does two things. It adds a new subsection to the findings in the Export Control Act and it adds a new paragraph to the declaration of policy.

The Export Control Act declares it to be the policy of the United States to use export controls to "further the foreign policy of the United States" and to "exercise the necessary vigilance over exports from the standpoint of their significance to the national security."

These broad terms undoubtedly were designed to give the agencies charged with enforcing the act the widest possible latitude. Such latitude is necessary and desirable in order to permit our controls to be adjusted to changing international conditions. At the same time the language is so broad that conflicting interpretations and inconsistent policies are almost inevitable.

Our present policies—in my judgment—are inadequate, vague, illogical, and unrealistic. Irreconcilable contrasts and inexplicable shortcomings are evident to anyone who will give this subject close attention.

The United States and its free world allies have a tremendous advantage in trade with the bloc. Despite the highly touted success of the Soviets in a few areas in which they have concentrated major attention, the bloc countries—in general—lag far behind the West in the state of their technology.

Our policies to date have failed to exploit this advantage. Instead of applying an economic squeeze against the Reds, the free world over a period of years has made a substantial contribution to building up Soviet economic strength. In the process we have forfeited one of the most powerful weapons we have in the protracted struggle against international communism.

The amendment I have offered is designed to help reverse this trend. It will write into the Export Control Act recognition of the importance of economic considerations in regulating exports to the bloc. The amendment would assure that economic as well as military factors will be given weight in determining our response to Communist aggression. This change in the law would give emphasis to this too often neglected phase of the cold war.

A dozen years ago trade between the West and the Soviet bloc was almost negligible—today it is of significant importance, particularly to the Eastern European satellites. Over one-fourth of all of the Communist bloc trade is now with the free world. This percentage is considerably higher in some Communist countries, especially in East Germany where the economy has become almost dependent upon the flow of goods from West Germany.

Our concern with the military issues of the cold war at times has clouded the strategic importance of trade in our arsenal of weapons. We sometimes forget that trade with the West is of prime necessity to the Communist camp if their economic strength is to continue to increase at a rapid pace. Trade is of particular importance to the Soviet bloc now because of the economic crisis that confronts the Communists. Reports of agricultural failures and industrial strains in the Soviet-bloc economy are now confirmed even by Khrushchev. From all indications, the Communist economy is in a state of crisis. Trade is a weapon we have been too reluctant to utilize in our various crises with the Soviet Union—either out of a desire not to unduly hamper the sale of various Western goods to the Soviet bloc, or because of a reticence to halt the free flow of trade. However, our solicitude for free enterprise must not blind us to the fact that the struggle in which we are engaged is not conducted by the rules of supply and demand. Soviet trade relations with the West are carried out not in the hope of fostering peaceful commercial intercourse with the West, as some naively assert. The Soviet camp buys from the West for two primary reasons: Economic necessity and to gain political ends. Trade is a weapon the Soviets do not hesitate to utilize when they have the upper hand in their dealings with other countries.

The military potential of the United States and the Soviet Union is rapidly approaching the point of stalemate—the destructive power of nuclear weapons has now made the prospect of armed conflict a suicidal one. This situation demands, if we are ever to achieve a victory over communism, or, if the phrase be preferred, a victory for freedom, that we focus more and more attention on

the other aspects of the conflict—the political and the economic. The shifting battleground can be to our advantage because we hold the upper hand in any economic contest with communism. We can no more consider surrendering this advantage than we would consider giving up our military defenses. The economic struggle is proceeding at an accelerating rate, and we must take steps now to make certain that we don't lose this battle.

In practice, the Export Control Act has been administered to curb trade only in goods of potential "military significance." Even this standard has been narrowly applied. Since 1960, for example, the United States has licensed many items for shipments to the Communist bloc despite the objections of the Department of Defense. These have included hundreds of millions of pounds of carbon steel sheets, technical data for a fluid process heater, diesel generators, vacuum power units, centrifugal pumps, roller bearings and spare parts for plastic extrusion equipment and electrolytic tinplate samples. In other cases, the Defense Department concurred in the issuance of licenses for shipments of strategic material where the evidence of alternative sources of supply was persuasive. These included synthetic rubber, petroleum flowmeters and flanges, technical data for steelplate mill construction and electric power excavator and equipment. I do not pretend to have the competence to judge whether these items are of strategic importance. But if the Department of Defense concluded that they were—this should have been the end of the matter. If we are going to err in determining what goods are of strategic importance to the Communists, I would much rather we erred in favor of our security than in favor of Soviet interests.

Last year, after the Internal Security Subcommittee highlighted the shortcomings of the existing administrative organization for preventing such shipments of strategic goods to the bloc, the President issued an Executive order establishing an Export Control Review Board consisting of the Secretary of Commerce as Chairman and the Secretaries of Defense and State as members. I am hopeful that this Board will prevent any future shipments of strategic goods to the bloc.

My amendment will not interfere with this Board's decision on strategic items, but it will provide additional criteria for regulating U.S. trade with the Soviets. I know that this is a complex subject, and I do not contend that my amendment will eliminate the necessity for hard decisions. Flexibility is important and would not be endangered. The only effect of the change I propose would be to encourage the use of our economic power in promoting our foreign policy objectives in relation to the Communist bloc.

The amendment would also serve as a declaration to our allies that we desire to utilize the vast economic strength of the West in this struggle with communism. Although the Soviets seek and have gained valuable industrial and technological equipment from the United

States, it is in Western Europe where they have been most successful in this pursuit. The growing strength of the European industrial economy has provided the Soviet bloc with a valuable source of economic material. Through the procurement of industrial equipment from the West the Communists have been able to build up lagging sectors of their economy and have been able to divert their energies and resources to maintaining a powerful military machine. The industrial strength of the Soviets would not have advanced as rapidly as it has without procurement from the West.

Effective control of exports to the Communist countries requires the cooperation of our NATO allies. Unilateral control by the United States does deprive the Soviet bloc of unique industrial goods and know-how available in this country, and this policy of our Government must be continued and strengthened. However, we must do more to obtain the maximum cooperation necessary for the full use of our economic strength. For that reason, I strongly support the amendment to the Export Control Act reported by the committee which makes it a policy of the United States to obtain maximum cooperation from our allies in the formulation of a unified trading policy with the Soviet bloc. This provision is an expression of our desire to have our allies join us in utilizing the free world's economic power to the fullest extent possible in combating communism. Our objective, however, must be to raise the standards for cooperative action and not to reduce those we apply to any level on which we can reach multilateral agreement.

The Soviets are well aware of the advantages that accrue from trade with the West. They have no reluctance to exploit Western know-how for as long as it takes to develop bloc self-sufficiency. The Communists have told us they intend to bury us, and they will be glad to do it with our economic help for as long as they can get away with such tactics.

Trade with the bloc has not been a two-way proposition. Soviet bloc procurement is ruthlessly directed by a central apparatus to produce maximum results with a minimum exchange. The typical trade mission may entice Western producers with references to virtually countless markets for consumers goods, but the agreements they sign are more often for heavy machinery, advanced technical data, ships and planes. The major items they give in exchange are manufactured goods such as cotton fabrics, and food such as wheat, meat, fruits, and vegetables.

In the face of industrial failures and agricultural shortages, the Communists are maintaining a costly program of aid to other countries for political and military objectives. There is no assurance that goods they obtain from the United States and other free world countries are not being used for the Communists' own version of a foreign aid program. We know that some of the wheat the Red Chinese have imported from Canada was diverted to Albania. We know that pipeline and drilling equipment the Soviets are buying from Italy and other Western

countries is being used to promote Soviet interests in India, Ceylon, Japan, and other vulnerable areas. We have no real assurance that machinery we are selling to the Reds is not being used in Soviet efforts to rescue the Cuban economy.

The United States and the other nations of the free world have not adopted the guidelines or the machinery for combating Communist economic tactics.

We have been foolishly and dangerously hesitant to use our economic arsenal against the Communists. We have displayed no such hesitation in dispatching troops to Berlin, to southeast Asia, or to other trouble spots around the globe whenever the need arose. Should we not display the same action in our economic relations with the Communist bloc? Too often we have continued our business-as-usual attitude even in the height of crisis. But we should not wait until trouble flares up before we bring our economic weapons to the fore. This is a valuable instrument in this crucial struggle, during a crisis or in the uneasy calm that prevails some of the time.

Significant examples are already recorded for us to see the strength of this weapon. In 1960 East German agents began interfering with the access to Berlin of West German civilians. In response to this situation the West Berlin administrator of the Interzonal Trade Agreement, which regulates trade between West Berlin and East Germany, gave notice that the agreement would be terminated by December 31 of 1960. The notice in effect was a threat of total embargo against trade with East Germany unless the harassment ceased. The reaction was prompt and dramatic. The harassment did cease, and instances of interference by the Soviets and their East German agents with such travel have been virtually nonexistent since that date. The fear of the halt of goods from the West overrode the Communists' desire to interfere with the access routes of civilians to Berlin.

Another opportunity for the West to exert economic pressure for political ends is now before us. The East German regime has asked West Germany for huge credits in order to purchase machinery and food. The West should seize this chance to work in concert with West Germany in an effort to obtain political concessions in Berlin from the East Germans. Trade with the Communist camp is not simply a matter of commercial relations, and we should not treat it as such.

The economic aspects of the cold war have received far too little attention. We have failed to achieve a unified Western policy to really utilize our economic strength for political goals. There has been reluctance to exert economic pressure against the Soviet bloc for political gain. The example provided by West Germany in 1960 is all too rare.

All my amendment is designed to do is to make certain that those who administer the Export Control Act recognize the fact that economics is one of the areas in which the cold war is now being waged. We have too long delayed a decision that we must make now—while we still have

our vast economic advantage: the decision to exploit Communist economic dependence on the West to exact important political and military concessions from them. A change in policy is essential now while our economic advantages are still decisive and the Communist economy is in a state of crisis.

The amendment I offer is an effort to aid in the making of that decision. The President will still have the widest possible discretion in utilizing our economic power in the interest of national security or foreign policy. But he will hereafter have to consider the intent of this Congress that the United States employ its economic power to the fullest possible extent in the fight against the Communists.

The redirection of policy which I am advocating will require some sacrifices. These sacrifices do not compare to those we impose upon our young men manning the Berlin garrison and on guard in southeast Asia. These are sacrifices we must make in the interest of freedom and to preserve the peace. We can withstand economic pressure far more effectively and readily than can the Communist bloc economy. We must be willing—the United States and its allies—to take this step if we are to face up realistically to the challenge confronting the free world.

In summary, this amendment is needed, first, to express clearly U.S. awareness of the economic warfare being waged by the Communists;

Second, to express our determination to use our economic resources in the battle against international communism;

Third, to convince our allies of our resolve not to contribute senselessly to the economic or military buildup of the Communists;

Fourth, to make certain that trade with the bloc is designed for our advantage and not to give every advantage to the Communists with no benefit to the free world in exchange; and

Fifth, to encourage the use of our economic advantages over the Communist world to combat their aggression, advance the cause of freedom, and bring us closer to victory without war.

The Export Control Act was given intensive study by the Select Committee on Export Control of the House of Representatives. Their final report states:

It makes no more sense to strengthen the economic potential of our cold war Communist enemies than to arm them; and yet the select committee has found glaring instances where we have economically strengthened countries in the Soviet bloc.

The Senate Internal Security Subcommittee has also given this subject intensive study from the point of view of its impact on national security. No one who has participated in the hearings of this subcommittee can doubt that U.S. controls have not been realistic and that over a period of years the Soviet bloc has been able to acquire invaluable technology and equipment from the free world.

I do not blame any administration or individuals for this situation. These conditions are not of recent origin but

have continued for many years. My only interest is in providing the guidelines for a policy which will better protect the interests of the United States. I have no interest in casting blame and will gladly say for the record that I have as much confidence that Secretary Hodges will carry out whatever policy Congress enunciates as I would that any other dedicated Republican or Democratic Secretary of Commerce would carry out such policies. This is not now and never need be a partisan issue.

The Departments have objected to my amendments. In essence they have advised the Banking and Currency Committee that they are satisfied with the way they are carrying out export controls.

The question, however, is whether the Senate and the public are satisfied. Do we want to continue to see complete plants shipped to the bloc? Do we want to continue the exchange of valuable machinery and technical data for Communist products we can get from a dozen other sources? Or are we ready to go all out in the economic contest with communism? Do we have the will to win in this vital area of the cold war conflict?

Let us not shrink from this challenge. Let us give this act the backbone it has been sorely lacking. I hope my amendment will be approved.

Mr. PROXMIRE. Mr. President, I rise in support of these amendments. I earnestly hope they will receive the overwhelming approval of the Senate.

I feel very strongly that they go right to the heart of the struggle between the free world and the Communist world. While I, of course, have the greatest of admiration and respect for the officials in both the Department of Commerce and the Department of State, I think it is most desirable and necessary that the Senate underline this situation and emphasize, especially to our allies, that fundamentally today we are engaged in an economic struggle with communism, and when we give trade assistance or aid assistance to Communist-dominated nations we are giving them an advantage which might be extremely important and helpful to them.

I am especially glad that the distinguished Senator from Connecticut [Mr. BUSH] has insisted on a yea-and-nay vote on the amendments.

It is not only important that these amendments be maintained in conference, but it is also particularly important that our allies understand the depth and the breadth of the feeling of the Congress of the United States, of the Senate of the United States, and of the people of the United States—that we recognize this is an economic struggle, economic warfare, and that we intend to win.

The fact is that we are winning. Communism is losing economically. The only way the economic tide could turn against us, I think, would be following false or misguided economic policies.

I think the amendment of the Senator from New York would go a long way toward assuring that our policies will be designed to win against the Soviet Union

and against the Communist bloc generally.

Mr. HUMPHREY. Mr. President, I should like to have the attention of the Senator from New York.

Mr. KEATING. Yes.

Mr. HUMPHREY. I am somewhat concerned about one amendment, and I should like to have the Senator's comment on the disclosure-of-information amendment.

Mr. KEATING. I will say to the Senator from Minnesota, who was necessarily out of the Chamber during an earlier colloquy, it is my intention to explain that amendment and to comment on the statements made by the Acting Secretary of Commerce with regard to it. At the conclusion of that, if the other two amendments have been agreed to, I shall not press that amendment at this time, because I think there is some merit in the suggestion that some further hearings are desirable before action on the exact language of that amendment.

Mr. HUMPHREY. I thank the Senator. The only reason I inquired about it is that I had a call this morning from one of our larger electronics manufacturing companies.

Mr. KEATING. I know which one it was.

Mr. HUMPHREY. The company was deeply concerned about the possibility of information being made available, I suppose to competitors as well as to foreign countries.

I assured them that was not the purpose of the amendment. I know what its purpose is. Its purpose is legitimate. But I wanted to get some assurance as to what the Senator's intentions were.

Mr. KEATING. Let me address myself precisely to that point. For that very reason an exception was made in the amendment for trade secrets submitted on a confidential basis. It is my judgment that if the concern to which the Senator has referred, or any other company, submitted any trade secret information to the Department of Commerce on a confidential basis, it would be protected by the amendment. I am confident that the company has nothing whatever to fear if the amendment is agreed to. However, because I agree that the part of the amendment referring to "trade secrets" submitted on a confidential basis is open to some question, I am willing to withdraw the amendment at this time in order to give an opportunity for hearings to be held on the subject. We do not want to injure unfairly any concern selling goods abroad, or its employees. We want to increase legitimate exports, not decrease them.

Mr. HUMPHREY. I knew that was the intention of the Senator. I thought my inquiry might possibly develop the point a little. I am hopeful that the amendment of the Senator will go to the committee. I am not particularly opposed to the amendment. To the contrary. But I think there is some sensitivity to it, and it ought perhaps to be given further consideration.

Would the amendment be referred to the Committee on the Judiciary?

Mr. KEATING. No; I think the amendment would go to the Committee

on Banking and Currency, since it would be an amendment to the Export Control Act.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. MILLER. Is there not some possibility of slightly modifying the amendment so as to bring about at least an interim improvement over what we have now, and at the same time cover the concern which the Senator from New York [Mr. KEATING] and the Senator from Minnesota [Mr. HUMPHREY] have expressed? The Senator from New York suggested that the phrase "trade secrets" might cause some difficulty. Why could not the words "trade secrets" be stricken out and the word "information" inserted in lieu thereof? That word would be very broad—probably too broad to achieve the objectives of the amendment—but at the same time I believe it would give us a little improvement over what we now have. The word "information" would cover such things as trade secrets, which private corporations might be concerned over.

Mr. HUMPHREY. My only point is that sometimes words mean one thing to Senators and something different when applied in the field of international commerce. Frankly, I do not feel competent to render a judgment on the question. It is a delicate question. The Senator from New York showed prudence in his suggestion for approaching the problem cautiously, and not in haste, to see what we can do to improve the present situation.

Mr. KEATING. Frankly, I would be concerned that the word "information" might go too far. I really do not believe I would like to have that word substituted. I think we could do better. The objections I have heard relate to the names of customers and the prices charged. I do not think there is any serious objection to telling what companies shipped the goods, but I think there is some objection to telling who the customers are, because some competitors might try to get those customers away from the shipper.

I hope the Senator from Alabama understands that I am not in any way going back on our agreement, but it is my judgment that if a legislative record were made that trade secrets submitted on a confidential basis included the names of customers, prices and similar matters, that would take care of any apprehension which business concerns might have. However, since I felt that the best way to handle the question would be through committee discussion, so that no one could come back later and say, "We did not have an opportunity to be heard on that question," I suggested that the amendment be referred to the committee, rather than attempting to make the change on the floor of the Senate. For that reason I am willing to withdraw the amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I think the Senator from New York is eminently cor-

rect. There should be no objection to trying to improve existing law. Everyone should be in favor of all proper information being reported. The Senator suggests that the question could appropriately be handled by the Committee on Banking and Currency. I am of the opinion that it ought to be handled by both the Committee on Banking and Currency and the Judiciary Committee, because of the existence of section 1905 of the U.S. Criminal Code, which deals with the same subject matter. It seems to me that very close study ought to be given to that subject in connection with anything dealing with that problem. I am sure the Senator is familiar with that point. It is quite a broad statute. It covers not only trade secrets, but 15 or 20 other enumerated items. Certainly the question ought to be carefully considered. It is a part of the general code. It seems to me that it is a question that the Judiciary Committee should properly consider. Therefore I hope no effort will be made to write legislation at this time that would deal with such a complex subject, but that the amendment may be referred to the proper committee.

SHIPMENTS OF OIL

Mr. HUMPHREY. Mr. President, about a year ago I addressed the Senate on the subject of the Soviet economic offensive, particularly in the energy field, the field of fuels. I have done considerable research, and my staff has engaged in several weeks of research on the subject of penetration of the Western European market by Soviet oil. I noted before that much of the oil was coming through Italy, where a private Italian firm, the ENNI Corporation, had been marketing vast quantities of Soviet oil which was being delivered to the ENNI Corporation in a crude form. It was refined, processed, and shipped into the Western European market.

When I was in Geneva and Zurich, Switzerland, last year, and subsequently in the Middle East, I had an opportunity to talk with American citizens and friends of the United States from Western Europe who had attended the petroleum congress or conference at Alexandria, Egypt. In that congress there was considerable discussion of the subject.

In that congress there was considerable discussion of the activities of the Soviet Union in dumping, so to speak, crude oil at very low prices into the Western European, Asian, and African markets, but particularly Western Europe.

I pointed out a year ago that the Soviet Union was selling its crude oil in its satellite countries like Poland and East Germany at more than \$2 a barrel, while it was selling the same oil in Italy for \$1.25 a barrel.

The Senator from New York has properly pointed out, and very helpfully so, that the Soviets utilize their productive capacity—and particularly is this true in terms of raw materials—as a weapon in the cold war, not merely in the pursuit of normal trade relations.

Some years ago I used to keep an account in the Senate of the trade agree-

ments that the Soviet Union had signed with a number of countries. When I visited the Soviet Union in 1958 I found that the No. 1 subject of the leaders of the Communist Party and the leaders of the Soviet Government was that of trade. They wanted a great deal of trade with the United States, but wanted it on credits. This is the same Soviet Union that was extending credits to other countries to stimulate trade between the Soviet Union and those countries. Yet they wanted to have credits from the United States to purchase supplies from us on credit for the development of the Soviet economy.

Of course, our Government officials did not agree to that, and very wisely so.

I am happy to report that in the New York Times of June 22 there appears an article datelined at Paris, which gives us a ray of hope in terms of competition with the Soviet economic offensive so far as Western Europe is concerned. Let me restate that point to say that the Common Market countries have now recognized openly, in public discussion and in official comment, the threat of the Soviet economic offensive, an economic offensive which does not deal with normal trade relations but which is political, to infiltrate and penetrate and dominate the markets of the world for more than economic purposes.

I read a few paragraphs from the article:

PARIS, June 22.—The European Common Market is moving gradually toward a common energy policy whose chief emphasis is on non-Soviet oil.

There now is a good prospect that within another year, perhaps two, the Common Market will impose import quotas on Soviet oil, limiting it to the share of the market it already has acquired. This would allow for some growth in volume of Soviet imports but no growth in its percentage of the total consumption.

The new policy is based on relatively cheap energy. And that means some lessening of the present protection afforded coal. Present thinking among the key authorities is that a fairly sizable coal production should be maintained, but by means of various kinds of subsidies rather than by high prices.

OFFICIAL BACKS IDEAS

Many of these ideas, gaining increasing acceptance in the Community, have been expressed publicly by Robert Marjolin, a vice president of the Common Market Commission. M. Marjolin is the member of the Commission charged with energy policy. The six member governments have charged the Commission, together with the High Authority of the Coal and Steel Community, with production of agreed energy policy.

They are reportedly close to agreement. But there remains some resistance in the High Authority because of its basic role as watchdog and protector of the coal industry.

No early agreement among the governments on an overall energy policy is expected. But the trend appears to be strongly in the direction of a policy of cheap energy based on oil.

RESISTANCE FROM ITALY

The main resistance to the idea of applying import quotas on Soviet oil has always come from Italy. Italy imports more Soviet oil than any other member—slightly more than 20 percent of domestic consumption—and has benefited from the low cost of this oil.

However, Italy is trying already to impose a form of ceiling on Soviet oil imports—though the ceiling is understood to have been exceeded last year. Without quantitative import controls, the Italian Government cannot block importers from buying where they want to, though the main importer, the State-owned oil monopoly, can be kept in line.

What the article indicates is that at long last the Western European Common Market, which is a tremendous consumer of energy and fuels, because of its high productive capacity in industrial items, is recognizing the potential danger of a massive Soviet penetration in the energy or fuel needs of the European Common Market.

As I indicated earlier, I saw last year the plans of the Soviet Union to build pipelines into Czechoslovakia and into East Germany, and the plans of the Soviet Union, in cooperation with ENNI in Italy, to build pipelines which would come up into Austria and southern Germany. If that were to take place, there would be a massive penetration of the Western European market with Soviet oil which would have the following effect:

It would make the Western European Common Market dependent in a large measure upon Soviet fuel. Secondly, I believe it would visit a catastrophe on Great Britain, which depends to a large measure on its reserves and its favorable balance of payments on the oil production of the Middle East. Thirdly, it could be a real threat to the American market because we export coal, as we know. It is not as much as we ought to sell, but we do have a considerable export trade in coal.

Therefore the policy statements which are being worked out today, recognizing that we should utilize our tremendous economic power in a constructive manner for our national security and for the areas of freedom and the improvement of economic strength in the areas of freedom, are desirable indeed.

I believe it is important that we recognize that the Soviet Union does not engage in the kind of conventional aggression or attack that we have been accustomed to throughout the history of the world; namely, the movement of armies. The Soviet Union knows that it would mean total war if they were engaged in a conflict of that kind. The Soviet understands how to use propaganda for the purposes of its national policies or its international policies. The Soviet understands how to use trade for purposes of its international goals. The Soviet has used it. It has dumped benzene on the American market.

By doing so, it has broken the price. It has today on hand fantastic aluminum supplies, which can be used to cause havoc in the international market with respect to aluminum prices. It has vast amounts of raw materials which can be used to cause considerable disruption in normal market practices of generations and centuries.

In the Soviet Union I saw a geological survey of the Soviet Union. It is located on the seventh floor of Moscow University. This country is derelict in failing to have a complete geological survey

of our vast land area made. I can say that most of the Western States, particularly in the great Rocky Mountain area, have as little as two-fifths of their area actually surveyed for purposes of metals and fuels and strategic materials. The Soviet Union has expended vast sums of money, and has recruited for that purpose hundreds of thousands of trained geologists to make a complete survey of its vast land area. Any Senator who sees that survey will be impressed by it. Incidentally, I have checked to determine whether it is a credible survey, and whether it can stand the test of professional criticism and professional examination by geologists. I was told it was a very responsible and reliable and credible geological survey. When we see how the Soviet Union can manage its economy to push into one particular area for the purpose of political policy—not trade policy, but political policy—then we have reason to be concerned about the Soviet economic offensive.

Frankly I wish to say this is one of the major threats that faces us, and it is perhaps even more dangerous than the military offensive threat.

That is why this Senator is deeply concerned whenever he sees trouble in the stockmarket; whenever he sees trouble about employment; whenever he observes any faltering in our economy; because I still believe that this is what the Soviet Union is hoping for and what international communism is hoping for. They know they will not be able to disturb this Nation militarily, because they understand very well that we can mobilize Congress in a military effort; we can get the people in America excited about a military effort. The main problem is, how do we get the people who have been accustomed to read in history books about generations gone by, about wars on battlefields where guns and cannon were used, to understand the threat of competition we face today? How do we get them to understand how economics and international trade can be used as an instrument of national policy or international policy for the purpose of conquest and penetration, or should I say, first, penetration and then conquest?

I am encouraged by the activity in the Common Market area. I am encouraged by the fact that our country has taken a greater interest in these matters. I think the foreign trade bill will give us additional strength in the great field of international economic competition. But if nothing else comes out of the discussion today—and I understand that at least all these amendments will be most likely accepted, or at least discussed and voted upon—I think what we need to understand clearly is that the United States of America must wake up to the competition we face from friend and foe alike—first, from our friends, to be sure, as we compete for markets; and then from our foes, who utilize economics, trade, raw materials, and processed materials, not merely to obtain dollars or gold reserves, for they are relatively unimportant—but to utilize them to penetrate markets, to take

markets, and to hold markets, and, by so doing, to hold people.

It has been my view for a long time that one of the most important political advantages that a nation can have is when our people become accustomed to using that competition. This is why Senator HUMPHREY has felt that the food exports under Public Law 480 are vital to the security of America. What is more important for our security than to have other people dependent on the United States for a large measure of their food and fiber needs? This is why I believe the United States needs a much more vigorous export policy.

I think it is our biggest item. We must get our business people, in cooperation with the Government, into a high gear export policy. We must export credits which will permit our businessmen to penetrate markets. We must get American businessmen to understand that the new markets of the world are not all in the United States, but are in strange places, far away from New York or San Francisco or Minneapolis or Des Moines, and the many other places to which we ship in our own country.

We are not really good international businessmen. Our Government has not been helpful in this matter. Our own businessmen believe their biggest market is in the United States. They have never quite sensed the potentialities abroad.

More important, this is a matter of national security. It is no longer simply a matter of business. We ought to make certain that the business is profitable, if we can. But we must make it more than that. We must make certain that American goods are found in more and more places, because just as it is important that Americans themselves visit other areas of the world and become acquainted with them, and the people of other areas of the world become acquainted with us, similarly I believe it is equally important—that people in other areas of the world become acquainted with American products, with American economic habits, and become somewhat dependent upon the United States both for raw materials, processed goods, and industrial goods.

Mr. President, I ask unanimous consent that the entire article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENERGY ACCORD NEAR

PARIS, June 22.—The European Common Market is moving gradually toward a common energy policy whose chief emphasis is on non-Soviet oil.

There now is a good prospect that within another year, perhaps two, the Common Market will impose import quotas on Soviet oil, limiting it to the share of the market it already has acquired. This would allow for some growth in volume of Soviet imports but no growth in its percentage of the total consumption.

The new policy is based on relatively cheap energy. And that means some lessening of the present protection afforded coal. Present thinking among the key authorities is that a fairly sizable coal production should be

maintained, but by means of various kinds of subsidies rather than by high prices.

OFFICIAL BACKS IDEAS

Many of these ideas, gaining increasing acceptance in the Community, have been expressed publicly by Robert Marjolin, a vice president of the Common Market Commission. M. Marjolin is the member of the Commission charged with energy policy. The six-member governments have charged the Commission, together with the High Authority of the Coal and Steel Community, with production of agreed energy policy.

They are reportedly close to agreement. But there remains some resistance in the High Authority because of its basic role as watchdog and protector of the coal industry.

No early agreement among the governments on an overall energy policy is expected. But the trend appears to be strongly in the direction of a policy of cheap energy based on oil.

RESISTANCE FROM ITALY

The main resistance to the idea of applying import quotas on Soviet oil has always come from Italy. Italy imports more Soviet oil than any other member—slightly more than 20 percent of domestic consumption—and has benefited from the low cost of this oil.

However, Italy is trying already to impose a form of ceiling on Soviet oil imports—though the ceiling is understood to have been exceeded last year. Without quantitative import controls, the Italian Government cannot block importers from buying where they want to, though the main importer, the state-owned oil monopoly can be kept in line.

The belief that Italy will come around to a joint policy of controlled imports is based on general acceptance of a cheap-energy policy.

Italy, it is thought, will accept a formal check on Soviet oil imports only when she is assured that the overall Community policy is based on relatively cheap oil and relatively cheap coal.

Under the policy as it is emerging, there would be duty-free entry of crude oil, very low duties on oil products, a gradual harmonization at a low level of taxes on oil, and some form of subsidy for a level of coal production somewhat reduced from the present level. Cheap American coal would continue to be imported.

The main opposition is expected to come from West Germany, with its powerful coal interests. However, in the end, according to qualified officials, West Germany will inevitably see the overall benefit of a policy of low-cost energy.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. The Senator from Minnesota has raised many important questions. I know he would like to have the Senate get on with the pending business, and so would I. First, however, I should like to make a comment. The Senator earlier referred to the trade policy of the Government. He and I feel strongly about private enterprise winning the cold war. We shall have plenty of opportunity to discuss that subject when the trade bill comes before the Senate. But two other items are covered by the bill now under consideration.

As often happens in the consideration of a bill, we come up with what we should not have come up with.

One of the amendments offered by the junior Senator from New York [Mr. KEATING] is designed to strengthen the

penalties materially. Whether that will be so can be argued one way or the other. The point is that we are trying to hold the line with our own exports, and the declaration of policy should buttress that. I hope it will be followed.

Then there is another approach, the multilateral approach, for which I was responsible. It deals with the larger phase, especially the exports of the Soviet Union, and the trading rules of the Soviets when they make their exports.

The big lack is that there is no economic warfare mechanism in the free world, the Atlantic Community, which is one of the important things which needs to be provided. For instance, in the NATO Parliamentarians Conference we have discussed the need for an economic warfare board. It is necessary to have a regulation of our interest in respect of our exports to Communist China. That is contained in my amendment. We also need a commercial trade policy, when they sell to us. They are not bound by GATT. They can dump anything and write their own prices. They are really in warfare on the economic front.

The Russians are waging such a war, although not too much of one yet, but they are moving toward it particularly in oil, benzene, and flax. They have shown their muscle, their power.

This bill is the first thing we have really done. Now that we have got it all worked out on both sides of the issue, to try to find a way to begin to come to grips with the problem, we must keep abreast of the problem. At least, we are beginning to see that there are two kinds of activity: Toughening up of our own people, to see to it that they do not transgress; and striving for a unified policy with the Communist bloc on both exports and imports.

Mr. HUMPHREY. I fully agree with the Senator's view. He and I have talked about this subject privately and publicly. Something which has disturbed me for a long time is the lack of a diversified policy among our allies and ourselves vis-a-vis exports to the Sino-Soviet bloc, and the imports from the Sino-Soviet bloc. I think there must be common help.

I read in yesterday's Wall Street Journal a report on steel expansion in the Soviet bloc, Japan, Western Europe, and the United States. Mark my words, the next great trade offensive from friend and foe alike, will be in steel. Regrettably, steel furnaces in the United States today are not so modern as those of Western Europe or of Japan. For example, I heard the other day that the Export-Import Bank had made a development loan to Japan at a low rate of interest for the construction of a large new steel plant. If the Export-Import Bank has any extra money, I suggest they go to northeastern Minnesota, where there is massive unemployment in the iron mines, and where there is some difficulty in terms of steel production.

Furthermore, Western Europe is contemplating an expansion in steel production amounting to a billion dollars. The Soviet Union is spending a billion dollars to improve its steel production.

The United States will have some trouble in the next 2 or 3 years in this area, primarily because we have no policy. I repeat: we—the United States, our allies, and our friends—have no common policy. We are still operating as if, somehow or other, communism never happened; that the Common Market was never created. We are still operating as though this were 1915 or 1925. I submit that we had better get up to date. We have in the Common Market a friendly competitor; but while they are friendly, anybody who knows our good friends, the British, the Dutch, the Italians, the Germans, the French, the Belgians, the Luxembourgers, knows that they are competitors; they are out to get business; and they are doing an outstanding job. In fact, they are making a great penetration into the Western Hemisphere. I have been studying this matter to ascertain their plans for trade with South America.

Then there is the matter of trade between the Communist-bloc nations and the Soviet Union. Certainly Khrushchev is not visiting Bucharest, Belgrade, and other places in that area merely for the purpose of making speeches. He is going there to advance Soviet industrial expansion.

Finally there is the question of trade with our friends in the Far East, who also are our competitors.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. The Senator from Minnesota has made one of the most effective addresses I have heard on the problems we face in the entire area of economic warfare. I compliment him on his speech, and I am glad he has pointed out what might be called a ray of hope coming from this morning's report on the Soviet oil offensive.

The Senator from Minnesota was among the first to raise this problem here. As he knows, I have become very much interested in this subject. I am deeply concerned about the Soviet oil offensive in Western Europe.

In 1950, the Soviet Union produced 37 million metric tons of petroleum, and exported 3 percent. But in 1960, the Soviet Union produced 148 million metric tons of petroleum—four times as much as its production in 1950—and exported 14 percent. This tremendous increase of Soviet oil production and exports has been designed for strategic and military purposes. They sell the petroleum to Poland, their friend, for \$2.87; but they sell it to a free country at \$1.25—which shows that what they are interested in is not economics, but political penetration through the guise of economics.

I may say that on Tuesday a very fine study will be issued by Dr. Halford Hoskins, who is connected with the Library of Congress. He is a recognized authority in this field, and I respectfully call the attention of the Senator from Minnesota to this study.

Mr. HUMPHREY. I thank the Senator from New York. It seems to me that in the very near future it will be necessary for our Government to get together with some of our oil producers

and exporters, to discuss the entire matter of our policy concerning Soviet competition, because today we have no real policy, except company by company, and that is not adequate.

Mr. KEATING. I may say that I have written a foreword to the document prepared by Dr. Hoskins, and that is very much in line with one of the recommendations which I make in the foreword. So it is obvious that on this subject the Senator from Minnesota and I are practically moving as one.

Mr. HUMPHREY. Well, certainly we are coming closer. [Laughter.]

Mr. SPARKMAN. Mr. President, as I indicated earlier, I have agreed with the Senator from New York [Mr. KEATING] that, so far as I am concerned, we are willing to accept his pending amendments. The objective of the amendments is good, even though I do not believe they actually add anything new to the law as it now stands. However, these two amendments constitute a good statement of the present policy, and it does not hurt to have it repeated. This might give additional emphasis; and they are very much in line with the amendment of the Senator from New York [Mr. JAVITS], which the committee accepted.

Mr. President, so far as I am concerned, I am ready to have the Senate vote on these two amendments.

Mr. KEATING. Mr. President, I have no objection to having the vote taken now. At a later time this afternoon I shall explain my position in regard to the third amendment. I shall do that after this vote is taken.

The VICE PRESIDENT. The question is on agreeing to the two amendments of the Senator from New York. The yeas and nays have been ordered on the question of agreeing to the two amendments, which are to be voted upon en bloc; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT],

the Senator from Missouri [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent on official business.

The Senator from Vermont [Mr. PRUTY] is detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PRUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 57, nays 2, as follows:

[No. 98 Leg.]

YEAS—57

Aiken	Clark	Holland
Allott	Cooper	Hruska
Anderson	Cotton	Humphrey
Bartlett	Curtis	Javits
Beall	Douglas	Johnston
Bennett	Dworshak	Keating
Boggs	Ellender	Kuchel
Burdick	Ervin	Long, Hawaii
Bush	Gore	Mansfield
Butler	Gruening	McCarthy
Byrd, W. Va.	Hayden	McClellan
Carlson	Hickey	McGee
Case	Hill	Miller

Monroney	Robertson	Thurmond
Morse	Saltonstall	Tower
Mundt	Smith, Maine	Williams, Del.
Pell	Smith, Mass.	Williams, N.J.
Proxmire	Sparkman	Young, N. Dak.
Randolph	Stennis	Young, Ohio

NAYS—2

Metcalfe Neuberger

NOT VOTING—40

Bible	Hart	Murphy
Byrd, Va.	Hartke	Muskie
Cannon	Hickenlooper	Pastore
Capehart	Jackson	Pearson
Carroll	Jordan	Prouty
Chavez	Kefauver	Russell
Church	Kerr	Scott
Dirksen	Lausche	Smathers
Dodd	Long, La.	Symington
Eastland	Long, Mo.	Talmadge
Engle	Magnuson	Wiley
Fong	McNamara	Yarborough
Fulbright	Morton	
Gulwater	Moss	

So Mr. KEATING's amendments were agreed to en bloc.

Mr. KEATING. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. DWORSHAK. Mr. President, I had intended to offer an amendment to terminate the extension of the law on June 30, 1965, or after a 3-year period. However, I think the adoption of the two amendments has greatly strengthened the bill. The companion bill in the House, as reported and now pending before the Committee on Rules, would provide a 3-year extension. I feel that the proviso will be in conference between the two Houses.

I should like to inquire, very briefly, why the committee wishes to make this a permanent act, rather than following the pattern we have had in the past of extending the law for either a 2-year or 3-year period.

Mr. SPARKMAN. Mr. President—

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, the request from the Department was to remove the limitation. As I explained in the previous presentation of the bill—and this is carried in our report on page 5, near the bottom of the page:

By making the Export Control Act permanent legislation, Congress will make it consistent in this respect with the related economic defense laws, namely, the Trading With the Enemy Act, the Mutual Defense Assistance Control Act of 1951, and the special export control laws governing arms, ammunition, implements of war, and atomic energy materials.

We also explained that the Department of Commerce, in urging removal of the termination date, instead of temporary extension of the act as we have done in the past, has pointed out the difficulty in obtaining qualified employees to administer the act; the short life of the act makes it hard to recruit and retain employees with the engineering and scientific knowledge necessary to deal with proposed exports of advanced tech-

nical data and equipment. In my discussion with the Senator from Idaho [Mr. DWORSHAK], I reminded him also that in my presentation I said that the Committee on Banking and Currency has jurisdiction over the administration of the act—at least to watch over it—and we certainly plan to discharge that responsibility and to keep close watch on it.

Mr. DWORSHAK. Mr. President, on the top of page 6 of the report the following language appears:

The committee recognizes that the review of operations under the Export Control Act, which has been conducted every 2 years in connection with the extension of the statute, has been a helpful means of keeping the Congress in close touch with the administration of the Export Control Act. By making the act permanent the Congress will forgo this biennial review.

Mr. SPARKMAN. The Senator is absolutely correct. Had he read a little further, he would have come across the following language:

However, the committee is mindful of its duties under section 136 of the Legislative Reorganization Act of 1946, "to exercise continuous watchfulness of the execution by the administrative agencies concerned," of laws under the jurisdiction of the committee. The committee intends to review the quarterly reports submitted under the act and to make such regular reviews of agency activities as may be necessary to make sure that the act is being carried out in accordance with the intent of Congress.

I assure the Senator that the chairman of our committee, the distinguished Senator from Virginia [Mr. ROBERTSON] has been quite active in the field. I think the Senator knows that he can rely upon his continuing activity.

Mr. DWORSHAK. The Senator recognizes that there is great interest on the part of the Senate in the administration of the act, in view of the vital developments concerning our trading and relations with nations behind the Iron Curtain. Under such circumstances it seems to me that it would be indefensible for the Congress not to continue to exercise that watchfulness, which means much toward seeing that the executive department does not usurp some of the powers which rightly belong in the Congress.

Mr. SPARKMAN. The Senator is eminently correct.

In addition, I believe every Senator receives a copy of the Commerce Department's quarterly report on export control. It is a very good report, being brief and easy to read and understand. Other publicity is given to the subject from time to time. I assure the Senator from Idaho that the Committee on Banking and Currency will discharge its responsibility.

Mr. DWORSHAK. If it does not, I am sure the Senate will be ready to do its duty.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEATING. Mr. President, I withdraw my amendment "6-15-62-A." In order not to delay the Senate at this time, I shall explain later my reasons for the withdrawal.

The PRESIDING OFFICER. The bill is open to further amendment. If there

is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Mis-

souri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—59 yeas, 1 nay, as follows:

[No. 99 Leg.]
YEAS—59

Aiken	Ervin	Monroney
Allott	Gore	Morse
Anderson	Gruening	Mundt
Bartlett	Hayden	Pell
Beall	Hickey	Prouty
Bennett	Hill	Proxmire
Boggs	Holland	Randolph
Burdick	Hruska	Robertson
Bush	Humphrey	Saltonstall
Butler	Javits	Smith, Maine
Byrd, W. Va.	Johnston	Smith, Mass.
Carlson	Keating	Sparkman
Case	Kuchel	Stennis
Clark	Long, Hawaii	Thurmond
Cooper	Mansfield	Tower
Cotton	McCarthy	Williams, Del.
Curtis	McClellan	Williams, N.J.
Douglas	McGee	Young, N. Dak.
Dworshak	Metcalf	Young, Ohio
Ellender	Miller	

NAY—1

Neuberger

NOT VOTING—39

Bible	Goldwater	Morton
Byrd, Va.	Hart	Moss
Cannon	Hartke	Murphy
Capehart	Hickenlooper	Muskie
Carroll	Jackson	Pastore
Chavez	Jordan	Pearson
Church	Kefauver	Russell
Dirksen	Kerr	Scott
Dodd	Lausche	Smathers
Eastland	Long, La.	Symington
Engle	Long, Mo.	Talmadge
Fong	Magnuson	Wiley
Fulbright	McNamara	Yarborough

So the bill (S. 3161) was passed.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, when discussing briefly with the Senator from New York the amendment which he had planned to propose on disclosure of information, I referred to section 1905 of the Criminal Code. Of course, I meant title 18 of the United States Code.

Mr. JAVITS. Mr. President, also, in the discussion of the amendment of the Senator from New York reference was made to the fact that no declaration need be filed on exports to Canada. We

have inquired of the Commerce Department with regard to this and find that a shipper's export declaration must be made for all shipments of items that are on the positive list. Therefore, there is a certain document, showing destination, for example, that must be filed.

INVESTIGATION OF NATIONAL STOCK EXCHANGE

Mr. ROBERTSON. Mr. President, the House has passed and has sent to the Senate this morning H.R. 11670, a bill to permit the Securities and Exchange Commission to continue for another 3 months a study of the operations of the National Stock Exchange. The bill has been endorsed by the Association of National Securities Dealers. No Member of the House voted against the bill.

As rapidly as possible, I had the clerk of the Committee on Banking and Currency bring the bill to the attention of the members of that committee who were available. No member of the committee objected to it. One member of the committee thought that perhaps it would be better, as a routine matter, to have the bill referred to the committee. But the last three times we have tried to have the committee meet, it has not been possible to get a quorum. We are entering a very difficult period in the Senate. Under the circumstances, unless some Senator wishes to have testimony taken or desires to object to the consideration of the bill, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. JAVITS. Mr. President, reserving the right to object—and under my reservation, I understand the Senator from Wisconsin [Mr. PROXMIRE] desires to be heard also—naturally this is not a critical subject. Nonetheless, there is involved a full-dress study concerning all stock exchanges and all security transactions. It is my desire in interjecting a reservation—although I shall not object, because I do not believe the proposal will be forwarded by objecting—to reiterate to the chairman something which I believe is very important. Perhaps the Senator from Wisconsin has the same thought in mind; that when we considered the operations of the stock exchanges and of allowing the investigation to continue, we made the very strong point that legislative oversight would be maintained in a very pronounced way.

I should like to ask the chairman again, so that the Senate may be reassured on that score, if it is not our policy that if any member of the committee

really felt that the SEC should be called either before the subcommittee or the full committee, to account to the committee concerning the way in which it was conducting highly sensitive investigations, the chairman would be most sympathetic, even if one member of the committee requested it, to doing that?

Mr. ROBERTSON. That is correct; that is our policy and it will be followed.

I observe in the Chamber the chairman of the subcommittee which would normally handle this subject. I shall yield to him, if he wishes to make a statement.

Mr. WILLIAMS of New Jersey. As I understand, the bill will extend the time for the investigation by 3 months and will increase the amount which may be spent for the investigation by \$200,000.

Mr. ROBERTSON. That is all that is proposed.

Mr. WILLIAMS of New Jersey. The proposal was discussed informally in committee. The chairman of the Securities and Exchange Commission explained the need for the additional period of time in which to report was because of the difficulty of the staff in having sufficient time in which to complete its work after the original legislation was passed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement of the background and status of this study.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

H.R. 11670 would postpone from January 3, 1963, until April 3, 1963, the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934. In addition, this bill would increase from \$750,000 to \$950,000 the total amount authorized for the study.

BACKGROUND OF THE BILL

On June 1, 1961, Congressman MACK introduced House Joint Resolution 438, a joint resolution to amend the Securities and Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations.

Hearings were held on June 27, 28, 29, and July 10, 1961, before a subcommittee of the House Committee on Interstate and Foreign Commerce. On August 24, 1961, the House passed House Joint Resolution 438, as amended; within hours the Committee on Banking and Currency unanimously voted to waive the referral of the joint resolution to this committee and requested that it be given immediate consideration on the Senate floor.

The Senate passed House Joint Resolution 438 on August 25, 1961; the resolution became Public Law 87-196 on September 5, 1961, when it was signed by the President. Initial funds for the study were appropriated on September 30, 1961.

H.R. 11670, which would extend the reporting date by 3 months, was introduced by Congressman MACK on May 9, 1962. Hearings were held on May 14, 1962, by a subcommittee of the House Committee on Interstate and Foreign Commerce. The

Securities and Exchange Commission appeared in support of the bill. There was no adverse testimony.

On June 6, 1962, the Committee on Interstate and Foreign Commerce reported the bill favorably without amendment. It was passed by the House on June 22, 1962.

NEED FOR LEGISLATION

Although House Joint Resolution 438 became public law on September 5, 1961, the initial funds for the study and investigation were not appropriated until nearly a month later. Not until early November was the Commission able to recruit a special study staff of 65 employees with the qualifications in law, accounting, and other technical fields which an inquiry of this nature would demand. In addition, according to Chairman Cary, "Further time was necessarily consumed in preliminary analyses before formulating any final study plans. In the same vein the techniques of the investigation had to be developed." Consequently, as circumstances show, an extension of 3 months would be unnecessary if the SEC had been in a position to begin its study and investigation immediately after the passage of the enabling legislation.

The study and investigation of the securities markets was intended to be a broad one. In recommending the passage of House Joint Resolution 438, Senator WILLIAMS of New Jersey said on the Senate floor:

"It is intended that the study and investigation be wide in scope, otherwise the resulting information will not enable Congress to examine the broad spectrum of the securities industry."

The Commission has at present reached an intermediate stage in many of the areas which it feels the inquiry should cover. Several sets of questionnaires have been issued to different elements of the securities industry and to the general public seeking information regarding various practices of the industry. It is the intention of the Commission to evaluate these questionnaires and to test their accuracy through private and, in certain cases, public hearings. If, however, the Commission is required to make its final report to Congress on or before January 3 of next year, certain of these projects will have to be abandoned or seriously curtailed in their scope.

The special study has already achieved substantial, beneficial results. Chairman Cary stated in his testimony before a subcommittee of the House Interstate and Foreign Commerce Committee on May 14, 1962:

"I believe that the study, although only about 6 months old, has already demonstrated its importance and value. The special study has apparently stimulated a number of significant developments in the form of rule changes, internal control procedures, and disciplinary actions. These are reflective of an increased awareness by the financial community of their responsibilities and further have assisted in establishing a more salutary climate in the securities markets."

Whatever the report of the Commission may contain, its value to the investing public will be enhanced by extending for 3 months the date on or before which it must be presented to the Congress and by authorizing an additional \$200,000 to maintain the special study staff during this period.

Mr. ROBERTSON. Mr. President, I have been informed that the members of the committee were fully conversant with what is involved and approve of the motion which the chairman is now making.

Mr. WILLIAMS of New Jersey. At that time, all members of the committee agreed.

Mr. PROXMIRE. Mr. President, reserving the right to object to the original request of the Senator from Virginia, first, I should like to propound a parliamentary question.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. PROXMIRE. If one Senator objects to the immediate consideration of the bill, will immediate consideration be blocked? Or can a Senator simply move that the bill be taken up, and have the bill taken up in any event if a majority support the Senator from Virginia?

The PRESIDING OFFICER. An objection would block the consideration of the bill by unanimous consent.

Mr. PROXMIRE. In that event, I should like to explain to the chairman of the committee why I believe the bill should be referred to the committee. I have checked with the staff of the committee, who explained to me that there is no urgency about the bill at all. It will not matter when the bill is passed.

Second, while the bill was considered, and very competently so, by the subcommittee, it was not considered by the full committee. This Senator did not have a chance to consider the bill fully.

I think there are perhaps reasons why the bill should be considered, but I feel deeply that if action is to be taken by the Senate, the committee should have had the opportunity to pass upon it. All members of the committee should have had that opportunity, unless there was some very important reason of urgency.

Since there is evidently no urgency in this case, I feel very strongly that the bill should be considered by the committee. For that reason, I object to the present consideration of the bill.

Mr. ROBERTSON. With all due deference, several Senators were not present to act on the last bill which was before the full committee. I hope they will be present when we act on this one. I withdraw the unanimous-consent request, but I hope Senators who wish to study the proposal will be present when we set the bill down for study.

EISENHOWER FAVORS REDUCING DEFENSE SPENDING

Mr. PROXMIRE. Mr. President, last night the former President of the United States, Gen. Dwight Eisenhower, spoke. In the course of his speech, he said:

Here I must record my personal belief that substantial amounts in our current defense budget reflect unjustified fears, plus a reluctance in some quarters to relinquish outmoded concepts.

The Associated Press, in reporting former President Eisenhower's statement, commented:

Eisenhower did not elaborate. He did not say where he would cut defense spending which has been regarded by both parties as sacrosanct and above the debate overbalancing the budget.

President Eisenhower went on to say:

Accordingly, I personally believe—with I am sure very little company in either party—that the defense budget should be substantially reduced.

Mr. President, I am one Senator who supports former President Eisenhower in that feeling. I support him enthusiastically. I welcome the statement by the former President of the United States, a man who is certainly an outstanding authority in our defense, he having served a lifetime in the armed services of this country, many years as a top military officer, and 8 years as President and Commander in Chief. I hope that this excellent statement by former President Eisenhower will persuade Members of Congress to discuss every item in the defense budget on its merits, whether in authorization bills or appropriation bills.

The defense bill passed the Senate unanimously, with no consideration, no debate, no discussion of most of the very heavy requests for spending. Actually, Congress has substantially increased the requests of both former President Eisenhower and President Kennedy, over their objections, in military spending. So I earnestly hope that the statement by former President Eisenhower will have real force and effect on Congress.

I earnestly hope General Eisenhower will now come forth and specify just where our defense spending should be reduced. That would be an immensely helpful service.

I do not subscribe to the rest of President Eisenhower's speech, which was a partisan Republican speech; but I do subscribe to this particular aspect of it.

HOUSE SUGAR BILL SHOULD BE REPLACED WITH ADMINISTRATION BILL

Mr. PROXMIRE. Mr. President, Congress should pass the administration sugar bill by June 30 or let the present program expire.

The present sugar act expires June 30. Unless Congress acts, the existing program of foreign quotas and subsidies will come to an end, and the price of sugar to the consumer will drop.

President Kennedy submitted a sound, fair proposal for new sugar legislation, which would reduce costs to the taxpayers and protect domestic producers.

Unfortunately the House Agriculture Committee rejected the administration-backed program and came up with a plan of its own which first, imposes a high price on the consumer; second, allocates our sugar market among foreign producers with no apparent rhyme or reason—except on the basis of well-financed, extensive lobbying; and, third, places an extra burden on the American taxpayer to pay for the sugar subsidy to the foreign producers.

Now backers of the House bill are trying to put a gun to our heads by sending over their bill just a few days before the old program expires.

I say let the present program expire if the administration bill is not enacted by June 30.

There is talk of extending the present program for 30, 60, or 90 days. We tried that last year, and what was the result? In the end, all the main features of the bill devised by the House Committee were adopted.

This year the pressure of time is on the side of those who favor the administration bill. The bill has wide sponsorship in the Senate, and is likely to win approval in the Finance Committee, where hearings are now underway on a rush basis.

If the Senate passes the administration bill before June 30, I wish to serve notice here and now that I will strongly object to any action to continue the present program or to adopt the House sugar bill in any form. There can be no compromise between earmarked subsidies to foreign producers and the administration plan.

The Senate bill is sound and workable. It is fair to consumers and taxpayers. In addition, it is fair to all foreign producers, since it treats them on a first-come, first-served basis. It should be enacted by Congress.

But if it is not, the logical alternative is to let the present law expire. One result might even be to give the long-suffering American consumer a break with a lower price for sugar.

Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with this matter, a New York Times editorial published on April 25.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNCLE SAM, SUGAR DADDY

Present sugar legislation guarantees domestic beet and cane growers more than half the American market. It also authorizes the Government to limit the total supply of sugar available for sale here—by limiting imports—to permit an artificially high price for this high-cost American industry.

This cozy system of Government economic planning for the benefit of the relatively small group of producers has not satisfied the beneficiaries. They now complain that the President's proposed changes in the sugar law would only lift their guaranteed share of the market from 53.5 to 56 percent. They want 61.13 percent of the market, and their pressure may kill the President's proposals, which are overcautious and center about changes in the system of import quotas and bonuses for foreign sugar. As we have previously stated, we believe these changes to be desirable.

In this situation, President Kennedy has an opportunity for bold action. It arises from the fact that there is now no rational reason for a sugar control system, the subsidy features of which last year cost the American people almost \$700 million. The old desire to protect Cuba's economy has been removed by the Castro regime's behavior. The argument that a domestic sugar industry assures at least partial satisfaction of our sugar needs in the event of war has been made almost irrelevant by the probable shape of any future nuclear conflict.

There is thus a strong case for gradually bringing to an end the expensive and troublesome system of sugar planning and subsidy. Such action would help consumers by tending to lower the price of sugar, thus counteracting inflationary pressures. It would also help increase the role of the free market in our economy. The many tropical lands that produce sugar would be glad to sell us all we need at a much lower price than is expected by domestic beet and cane growers.

The President would do well to reply to the domestic sugar lobby's demand for expansion of its plantings and its subsidies by an announcement that he will move in the

opposite direction, helping beet and cane growers to shift their crops to other and more economical uses for their land.

Mr. PROXMIER. I also ask unanimous consent, Mr. President, to have printed in the RECORD excerpts from a June 19 editorial published in the Washington Post and a very detailed article published on June 15 in the Wall Street Journal.

There being no objection, the editorial and the article were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 19, 1962]

The bill reported out Friday by the House committee is a caricature of the legislation the administration sought and the country needs. Great pains were taken to show the importance of keeping the old Cuban sugar quota open until the time Havana severs its ties with the Soviet bloc. A strong case was made against carving up Cuba's share and awarding new quotas to countries that will soon regard their premium-price allotment as a permanent right.

These considerations were brushed aside by the committee. The global quota sought by the administration was neatly razored from the bill and instead the committee, on its own initiative, doled out country-by-country quotas, bringing 15 areas into the program for the first time. This was made possible in part by chopping up the old Cuban quota, leaving the island with a standby quota of 1.5 million tons as against the 3.2 million tons Cuba supplied the United States in 1960.

How did the committee decide which countries to reward and which to punish? What criteria determined that the Fiji Islands, South Africa, and Paraguay should receive a windfall award of a quota? What political judgments impelled the committee to double Nicaragua's quota and to bring Guatemala into the program for the first time? Is it possible that the list was influenced by the well-heeled lobbyists who swarm into Washington whenever sugar legislation comes up? . . .

The sugar legislation is reported out at the last minute, only days before the present law expires. The House probably will be stampeded into accepting the bill and relief may have to come from the Senate, where the Finance Committee will take the matter up. To their credit, five Republicans on the House committee dissented; it is not too late to rally constructive opposition to a sugar bill that reeks of the sweet smell of politics.

[From the Wall Street Journal, June 15, 1962]

HOUSE PANEL APPROVES SUGAR ACT BOOSTING U.S. GROWERS' QUOTA, ADDING 15 NATIONS

WASHINGTON.—The House Agriculture Committee climaxed weeks of closed-door wrangling by drafting a new 5-year Sugar Act that gives domestic producers a larger share of the U.S. market and allots 15 foreign areas import quotas for the first time.

The committee tentatively approved the measure by voice vote and is expected to give final endorsement today. The legislation probably will come up on the House floor next week. Chances for passage are considered good.

The House measure ignores most of the Kennedy administration's far-reaching recommendations, however, and the Senate may draft its own version. Agriculture Secretary Freeman several weeks ago abandoned hope of House support and decided to try in the Senate for a bill more to his liking, hoping that a subsequent Senate-House conference

will frame a final measure acceptable to the administration.

But the administration faces a serious obstacle. The present sugar law expires June 30, and the Senate will have little time to weigh new legislation unless the present law is extended. The Senate Finance Committee, waiting for the House to act, hasn't begun consideration of new sugar legislation. . . .

QUOTA BASIS RETAINED

The Sugar Act, now 27 years old, supports the price of sugar in the United States by limiting the amount that can be marketed. Every sugar-growing area, both in and out of this country, that is permitted to sell sugar on the domestic market is assigned a quota, or a share of the market. The administration wants to move away from this method and throw part of the market open on a first-come, first-served basis. It would redistribute most of Cuba's former 3-million-ton quota on a "global" basis in hopes of avoiding hurt feelings in dividing the Cuban allotment among friendly nations. The Cuban quota was dropped in 1960 because of Premier Castro's hostility.

The House committee decided not only to retain the country-by-country allocation formula, however, but to assign permanent quotas for the first time to 15 additional areas.

Of Cuba's former quota, half of it, or 1.5 million tons, would be reassigned on a 1 year basis to other countries. In a report accompanying the bill, the committee intends to recommend that these countries be urged to buy surplus U.S. farm products in return for the extra business awarded by the United States. There is an implicit warning that otherwise they may find their bonus quotas ended when Congress reconsiders the temporary allocations next year.

The rest of the Cuban quota would be redistributed permanently to domestic and foreign producers. The committee adopted the administration's proposal to set the basic U.S. quota at 9,700,000 tons for each of the next 5 years. It also went along with the administration's recommendation that domestic growers be given a 5,810,000-ton share of the total market, or 59.8 percent, up from the current 53 percent. In addition, the domestic industry would get 63 percent of the increased demand from annual population growth, up from the current 55 percent.

GOP SUBSTITUTE REJECTED

The new basic quota of 9,700,000 tons compares with the present quota of 8,350,000 tons. The domestic quota, up from the current 5,186,500 tons, would break down this way: Domestic beet sugar, 2,650,000 tons; mainland cane sugar, 895,000 tons; Hawaii, 1,110,000 tons; Puerto Rico, 1,140,000 tons; and the Virgin Islands, 15,000 tons.

The new law would go into effect June 30, but current quotas would continue for the rest of the year because allotments already have been made in most instances. Thus, the new ones would actually go into effect next January.

Before approving the Democratic-backed bill, the committee rejected by voice vote a Republican substitute offered by Representative QUAY, of Minnesota. He suggested that the Cuban quota be set at 2 million tons and that this amount be brought in under the administration's "global" quota plan, but only from countries agreeing to buy surplus farm commodities. The remaining 1 million tons of the Cuban quota would have been redistributed among sugar-growing Western Hemisphere countries.

The committee, however, did adopt several amendments, including one offered by Representative HOEVEN (Republican, of Iowa), that would permit the President to end the quota of any country that expropriated American property without proper

compensation, and one by Representative POAGE (Democrat, of Texas), aimed at prohibiting discrimination against American-owned companies that produce sugar in foreign lands. The amendment is aimed specifically at protecting the U.S.-owned Haitian American Sugar Co. in its attempt to share in Haiti's shipments to the United States and to prevent that country from exporting only sugar produced by locally owned companies.

COMPENSATION FOR DOMINICAN REPUBLIC

The committee rejected, 22 to 10, a motion by Representative FINDLEY (Republican, of Illinois), to strike out a provision inserted by Mr. COOLEY to pay the Dominican Republic some \$22 million as compensation for an extra duty imposed on the country's shipments in late 1960 and early 1961 when the United States was having trouble with the now-departed Trujillo regime. Republicans took the view that it was unwise to direct the Government to make such payments at this time because the matter is being considered in the courts.

The committee voted against permitting any country to take over Cuba's 375,000-ton refined sugar quota. The reassignment of the Cuban quota was strictly on the basis of raw, unmanufactured sugar.

Countries receiving permanent quotas for the first time would be: Brazil, 190,000 tons; British West Indies, 100,000; Australia, 50,000; French West Indies, 40,000; Colombia, 35,000; Ecuador and India, 30,000 each; Guatemala, Argentina and South Africa, 20,000 each; El Salvador, Paraguay, British Honduras, Fiji Islands and Mauritius, 10,000 each.

Countries receiving a temporary 1-year share of the Cuban quota: Philippines, Peru, Dominican Republic, Mexico, Brazil, British West Indies, Australia, Formosa, 150,000 tons each; South Africa, India, and Mauritius, 100,000 each.

Permanent quotas of other countries: Philippines, 1,050,000 tons; Peru, Dominican Republic and Mexico, 200,000 each; Formosa, 45,000; Nicaragua and Costa Rica, 30,000 each; Haiti, 25,000; Panama, 15,000; and the Netherlands, 10,000.

Mr. PROXMIER. Mr. President, a further important consideration regarding the sugar program is the wage provisions for workers in the sugar industry. These laboring people are among the most poorly paid and under privileged agricultural workers in our Nation. In my view, any Federal sugar legislation should contain strict guarantees that sugar workers will be paid decent wages, at the very least commensurate with the substantial profits available to owners of sugar operations as a result of the sugar subsidy program.

I ask unanimous consent that a memorandum and statement by the National Advisory Committee on Farm Labor on the wage provisions of the Sugar Act be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON WAGE PROVISIONS OF THE SUGAR ACT

NATIONAL ADVISORY COMMITTEE

ON FARM LABOR,

New York, N.Y., June 15, 1962.

To: Members of the U.S. Senate.

From: Pay Bennett, executive secretary.

Since the question of extending the Sugar Act will soon come before the Senate, I am taking the liberty of sending you a copy of our statement on this program. I want to call your attention especially to the need for clarifying the provision of the Sugar Act requiring that in return for subsidies and tariff protections, sugar growers must pay their workers a fair and reasonable wage.

I believe you will be interested in reading the full statement, which discusses the history of the act and shows the wide disparity of sugar wages paid in different areas, as well as the effect of the wage payment upon large and small sugarcane growers.

The statement shows that the requirement of the act for payment of a fair and reasonable wage has not been honored, and that while growers, processors, and industrial users of sugar have all benefited by the Sugar Act, the fieldworkers have not.

The statement suggests that the wage set under the Fair Labor Standards Act should be substituted for the term "fair and reasonable," since the latter has proved inadequate and vague. Wages currently set for mainland sugar workers, ranging from 60 to 95 cents an hour, would certainly seem to be neither fair nor reasonable.

STATEMENT OF THE NATIONAL ADVISORY COMMITTEE ON FARM LABOR ON WAGE PROVISIONS OF THE SUGAR ACT, PRESENTED TO THE HOUSE AGRICULTURE COMMITTEE ON MAY 18, 1962, BY RABBI EUGENE J. LIPMAN

My name is Eugene J. Lipman. I am rabbi of Temple Sinai in Washington, D.C. I am a member of the National Advisory Committee on Farm Labor and present this statement on behalf of the committee. While I do not consider myself an expert on all the problems of agriculture, I do attempt to keep myself informed of the issues having to do with the conditions of life and labor for hired workers in agriculture. The material in this statement has been prepared by the research department of the National Advisory Committee on Farm Labor. I want to thank this committee for permitting us this time to present our views.

The National Advisory Committee on Farm Labor is a nonpartisan, factfinding agency, concerned with making information available on the conditions of farm labor. Its members are listed on this stationery. We wish to draw the committee attention to the need for strengthening the provisions of the Sugar Act intended to protect the interests of American farmworkers in sugarbeet and sugarcane fields.

The National Advisory Committee on Farm Labor is concerned with this problem because the history of the Department of Agriculture's enforcement of the requirement that sugar workers be paid a "fair and reasonable wage" leaves much to be desired. This requirement was included in the original Jones-Costigan Act of 1934 on the ground that a public subsidy given to the sugar industry should contain protections for all affected groups, and not merely constitute a guarantee of grower and processor profits.

In our opinion, this requirement is not sufficiently precise to insure the intended protection. "Fair and reasonable" has proved too vague a term. Experience indicates that the present criteria, cost of living and ability to pay, have not produced wage levels that can be honestly regarded as fair and reasonable. Surely it is neither fair nor reasonable to expect anyone to support himself and his family on 60 cents an hour—the wage currently certified as the minimum for sugarcane workers in Louisiana. We are therefore suggesting that another and more objective criterion be substituted: the wage set under the Fair Labor Standards Act as the minimum necessary to support a worker and his dependents in decency.

Since 1934, the sugar industry has been one of the most heavily subsidized and protected sections of the American economy. We are not here to object to that protection. We realize that it has stabilized the sugar industry and given a needed measure of security to small sugar producers that was not present before the act. On the other hand, we are very much concerned that sugar workers have not enjoyed a similar measure of security, that the act's mandate

to protect fieldworkers in the industry has not been carried out. Far from receiving the benefits intended for them under this legislation, their wages remain at sub-standard levels, even when compared to depressed State average wages for farmworkers. Only in Hawaii, where strong unionization is responsible, have sugar fieldworkers substantially improved their conditions.

Minimum hourly wage rates, set by the Department of Agriculture after public hearings in some of the sugar-raising areas, have followed a curious pattern. Currently, the minimum standard of "fair and reasonable wages" ranges from 60 cents an hour in Louisiana to \$1.46 an hour (plus fringe benefits worth close to another 50 cents an hour) in Hawaii. What appears fair and reasonable pay for identical work in the State of Hawaii is almost two and a half times what is ruled fair and reasonable in Louisiana. While beetworkers generally fare somewhat better, their wages—currently at least 95 cents an hour—are below the national average farm wage and State averages in major beet-growing regions.

The wage determinations in Louisiana have had an effect not intended by Congress: They have handicapped several attempts to establish collective bargaining there. Once a rate was ruled "fair and reasonable" by the Department of Agriculture, cane workers' demands for higher pay were effectively stopped by growers' contentions that their wages had been officially certified as fair. Thus, the vague references in the Sugar Act to the alternative "higher rates agreed to by employees and their employers" have had no meaning except in Hawaii, and collective bargaining has been hampered—albeit unintentionally—by governmental action.

There is good reason to believe that many small sugarcane producers—in competition with very large-scale growers—would also benefit from increased minimum rates. The labor costs of these small producers are much less than those of their competitors, and increased wage rates would affect their production costs much less than they would affect the large-scale growers who rely heavily on hired labor. Therefore, higher wages could be expected to improve the marketing position of small farmers vis-a-vis large producers. Moreover, higher wages would increase the value of the labor supplied by the small grower and his family.

Of relevance here is some data which appeared in the U.S. Department of Agriculture's "Farm Cost Situation of November 1957." This is the only official data, so far as we know, which breaks down and compares production for large- and small-scale farms competing in a given area. The data pertains to cotton farms in the Mississippi Delta. On the small-scale farms, the cost of hired labor was about 10 percent of total operating expenses, while on the large cotton farms in the delta, labor costs amounted to 36 percent of total operating expenses.

In other words, the small-scale farmer performs most of his own work, and wages therefore constitute only a small part of his production costs. Moreover, given the decline of small farms and the expansion of large farms, it seems clear that the net income of small producers is dropping while their operating expenses are either steady or rising. The opposite appears to be true for their large-scale competitors. Assuming that to be the case, it is obvious that higher wages would increase the operating costs of the large farmers much more than those of their struggling competitors who hire less labor. The latter as a result would be in a more favorable competitive position. Thus the overall result of wage increases for farmers who do most of their own work would be higher net incomes. It seems to us that this would apply to sugargrowers as much as to cottongrowers.

We are not impressed by statements that growers cannot pay wages higher than have generally been certified. For one thing, actual wages paid are in many cases higher than the minimum rate—although they are still far below what the Fair Labor Standards Act calls a fair wage. Hawaiian growers paying much higher wages, while admittedly large operators with considerable resources, must nonetheless pay much greater transportation costs than mainland producers. But the Hawaiian growers still make profits. Finally, ability to pay has quite properly never been the primary consideration in determining fair wages. Public policy in this country has repeatedly denied that any employer has an absolute right to dictate terms of employment—no matter how hard pressed a particular employer might be. It is in keeping with this tradition that we call for minimum wages to sugarworkers at least equal to the rate set under the Fair Labor Standards Act.

We would point out, in addition, that cost of living is supposed to be given just as much weight as ability to pay in setting the wages for sugarworkers. The cost-of-living factor seems, however, to have served more as an excuse for perpetuating low wages in this country's depressed rural areas. We certainly find it hard to believe that 60 cents an hour is a realistic index to the cost of living in any part of America today.

A fair and reasonable wage should presumably mean a wage sufficient to feed, clothe, and house a worker and his dependents in minimal health and well-being. It should presumably pay a man enough to insure that he need not call upon his young children to help support the family. In a seasonal industry where workers are denied unemployment benefits, we do not see how a wage less than the \$1.15 an hour required by the Fair Labor Standards Act could possibly support a worker and his family in any part of the United States.

To conclude, we hope it is clear that we are not objecting to justifiable protections for sugar producers. Our concern is that sugarworkers receive the protections legally due them for nearly 30 years but never in fact extended to them. We do not consider any wage less than the national minimum as set by the Fair Labor Standards Act to be either fair or reasonable in this day and age. We do believe that payment of \$1.15 an hour would be to the advantage of most small-scale sugargrowers as well as of sugarworkers. Higher wages for sugarworkers and higher net incomes for small sugargrowers would, moreover, constitute an injection of purchasing power into many regions that are presently depressed areas. Higher wages would therefore complement the purposes of the rural areas development program and the Area Redevelopment Administration by improving the economy and standard of living not only in those blighted areas but throughout the country.

Mr. PROXMIRE. Mr. President, I yield the floor.

WHEAT PRODUCTION

Mr. HOLLAND obtained the floor.

Mr. CARLSON. Mr. President, will the Senator from Florida yield at this time to me?

Mr. HOLLAND. I yield briefly to the Senator from Kansas.

Mr. CARLSON. I appreciate very much the courtesy of the Senator from Florida.

Mr. President, wheat is the staff of life, and Kansas is just completing another 200-million-bushel wheat harvest.

Our State has long been known as the Wheat State. Normally, Kansas produces one-fourth of the winter wheat of

the Nation. In the past 4 years, we have grown a total of 1 billion bushels of wheat, or an average of better than 250 million bushels a year. This large production of wheat has been grown in our State, despite substantial reductions in our acreage.

Millions of bushels of this wheat have been sent to hungry people in underdeveloped countries, through our foreign-aid program. As a result of exporting millions of bushels of wheat, we have furnished hope to these people, and have created much good will for our Nation.

It is most important that we do not approve farm programs that would endanger the quantity of food needed by our own people; and it is also important that we have additional food to send to millions of people in other countries who are not so fortunate.

We hear much about surpluses and some of the burdens resulting from these surpluses; but it would be most disastrous if it were reversed and if we did not have sufficient food to care for our people and many others, as is the situation in many Communist-controlled countries.

The farmers of this Nation are entitled to praise and credit—not condemnation and criticism, which we often hear—for their ability to produce this food.

The Wichita Eagle published on Sunday, June 10, over 200 pages of information and articles about our great State of Kansas. It mentioned items of special interest from every county in the State. In this issue there also appeared the famous editorial entitled "Wheat," which first delighted Kansans in 1937. It was written by the late Victor Murdock, who for many years served in the U.S. Congress. I ask unanimous consent that the editorial be made a part of these remarks in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEAT

(By Victor Murdock)

The sun is setting in the wheat country. The wind halts as the day dies, and the birds, after careening conclave in midair, wheel with much dispute and wing ruffling confusion of choice, to their final tree in the grove where as the rustling leaves grow still their greenery deepens into shadows and turns purple against the shafts of gold, lanced by the sun across the landscape. Along the damp edges of the hedge the crickets intone for the night-long chorus and a hunch-backed yellow sunfish noses a single widening circle upon the blue-green mirror of the pond. Across the meadow, grass, flower, and weed from their drab, day array brightened to translucent pinks and shining fibrous silvers, quiver, ripple, flush in the pagentry of leveled light.

Silence grows. The house, the barn merge into the tranquility and thrust with strength from a window, back to the weak sun, a blazing bolt of his own light. The horses in their stalls, taking their respite erect, twitch the hay from the mow and grind and grind, in contemplative content, and the cow, moved by some vagrant emotional unrest, offers an unavailing protest from her place, which, having begun weakly, she as incontinent concludes. The pullets fidget and fluff fussily and feebly along their perch. The swine contest for the single undesirable corner of the sty in repeated pyramids which at last collapse to a permanent repose. The

dog, with an air of despair in exploration, makes final forage at the back door.

Silence grows. Down by the stream, with its trees which bend over it to look upon it and never tire, a moccasin evidences his presence on a log, by sliding from it, and a muskrat plunges from one hiding place to another with a single splash and leaves no trace. A raincrow, alone at last with silence, mourns and prophesies. Between purpling east, house, barn, grove, stream, and the empty west, the wheat raiser stands before the wheatfield and its wigwam shocks, marshaled in far-flung line as at attention. They and the bristling stubble are gold, dull, dead gold.

He and they have traveled long and far together. This is one of the thousands of resting places, of breathing places they have come to. The sweat, the vexations, the defeats, the depredations and deprivations of toil a little while ago were heavy enough upon him. But now as he turns and looks across the dull, dead goldfield to the empty west the burden of the day's work lifts, and the yellow twilight strokes his soul in benediction.

SUPPLEMENTAL APPROPRIATIONS, 1962

Mr. HOLLAND. Mr. President, at the suggestion of the majority leader, I move that the Senate now proceed to the consideration of Calendar No. 1577, House Joint Resolution 745, as reported from the Senate Appropriations Committee, so that the joint resolution will be made the pending business.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H.J. Res. 745) making supplemental appropriations for the fiscal year 1962, which had been reported from the Committee on Appropriations, with amendments, which were on page 2, line 10, after the word "for", to strike out "payment of"; in line 13, after the word "commissioners", to strike out "and"; in line 14, after the word "witnesses"; to insert "(not to exceed \$400,000), and salaries and expenses, United States attorneys and marshals (not to exceed \$100,000); (d) Department of Agriculture, Farmers Home Administration, direct loans and advances, subtitle B and section 335(a) of the Consolidated Farmers Home Administration Act of 1961, \$25,000,000 from the direct loan account; (e) Department of Commerce, Coast and Geodetic Survey, salaries and expenses, \$234,000 in addition to the amount provided in section 1 hereof; (f) Department of Health, Education, and Welfare, Public Health Service, hospital and medical care; and (g) payments to widows of deceased Senators."

At the top of page 3, to insert a new section, as follows:

Sec. 3. There are also hereby appropriated such amounts as may be necessary to provide for items carried in H.R. 11038, as passed by the Senate and House of Representatives for (a) Department of Commerce, general administration, participation in New York World's Fair, including compensation of a United States Commissioner, who shall be appointed by the President, at the rate of \$19,500 per annum; (b) funds appropriated to the President, disaster relief; (c) Department of Health, Education, and Welfare, Office of Education, payments to school districts; (d) Small Business Administration, revolving fund; (e) the judiciary, expenses of referees; (f) House of Representatives, payments to widows or estates of deceased

Representatives; and (g) Department of State, administration of foreign affairs, salaries and expenses: *Provided*, That in case an item is carried in both versions of H.R. 11038 but at a different amount as passed by the Senate than that as passed by the House, the lower of the two amounts shall prevail.

And on page 3, after line 18, to insert a new section, as follows:

SEC. 4. There is also hereby appropriated the following amount for payment to Myrtle G. Case, widow of Francis Case, late a Senator from the State of South Dakota, \$22,500.

Mr. HOLLAND. Mr. President, the second supplemental appropriation bill, 1962—H.R. 11038—passed the House on April 4, and reached the Senate on April 5. The Senate Committee on Appropriations proceeded with all possible speed, devoting 3 full days to hearings on the measure and on various supplemental budget requests which had reached the Senate since the House concluded its hearings on the bill. The bill was reported to the Senate on April 11, and passed the Senate on April 16. For some reason the House of Representatives did not appoint conferees until 6 weeks later—on May 28. It would be fruitless here to go into the matter of disagreement on procedure between the two Appropriations Committees of the House and the Senate. Suffice it to say that on June 14 the House Appropriations Committee reported to the House of Representatives House Joint Resolution 745, continuing provisions for certain activities of the government for which H.R. 11038 had made provision. This continuing resolution passed the House on the same date, June 14, and came to the Senate.

The Senate Appropriations Committee felt that a conference on the second supplemental appropriations bill was much preferable to the consideration of a continuing resolution, and so advised the House committee. But when it became apparent that there was no possibility of having a conference on the second supplemental appropriations bill, the Senate committee took up and considered the continuing resolution—House Joint Resolution 745—in the light of certain communications which it had received from various governmental agencies, indicating critical need for funds not covered by the terms of House Joint Resolution 745. The Senate committee also considered the various items involved in the second supplemental bill, and picked out several items which it thought were of similar importance to those contained within the House joint resolution. The Senate committee thereupon amended the House joint resolution so as to include these added items, and reported House Joint Resolution 745 with several recommended committee amendments, which are now before the Senate under the pending measure.

Mr. President, the committee recommended that the joint resolution as amended and reported to the Senate be passed.

As reported to the Senate, this measure will provide funds for the remainder of the fiscal year for the programs and activities for which funds have been ex-

hausted, and also for certain programs and activities which the committee believes are of such importance that funds should be made available immediately.

Mr. President, rather than read the items by list, I shall merely proceed to discuss briefly the items added by the Senate Appropriations Committee.

First, under the Department of Agriculture, is the Farmers Home Administration loan authorization. The committee inserted language authorizing \$25 million for farm operating loans in the direct loan account which was authorized by the Consolidated Farmer Home Administration Act of 1961. H.R. 11038, as passed by the Senate, provided \$50 million for this item. In other words, because of the passage of time, the committee felt that half of the amount provided in the bill as passed by the Senate some 2 months ago would suffice.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator from Florida yield to the Senator from North Dakota?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. According to the testimony given our committee, \$50 million—and more, too—was needed at the time when the committee held the hearings. That was the testimony of the Department of Agriculture. Many of these farmers have since that time either gone broke or carried on their farming operations in a limited way. So at the present time many of them no longer need the loans. But this amount now in the bill would cover those who still can be helped.

Mr. HOLLAND. I thank the distinguished Senator from North Dakota, who was very active in getting the original appropriation provided for by our committee. I am sure he is correct in his statement that farmers have suffered because that amount was not made quickly available.

I have before me a letter, dated June 22, from Mr. Joseph M. Robertson, Administrative Assistant Secretary of the Department of Agriculture, in which he states that it is estimated that a maximum of \$25 million of Farmers' Home Administration operating loans could be closed between now and June 30 of this year. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C. June 22, 1962.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Deficiencies and Supplementals, Committee on Appropriations, U.S. Senate.

DEAR SENATOR HOLLAND: In response to the request from your staff, it is estimated that a maximum of \$25 million of Farmers Home Administration operating loans could be closed between now and June 30, 1962.

Sincerely yours,

JOSEPH M. ROBERTSON,
Administrative Assistant Secretary.

Mr. HAYDEN. Madam President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. HAYDEN. Madam President, an article in today's Washington Post states that I was asked by newsmen as to whether at the Appropriations Committee meeting on yesterday, the committee discussed any solution of the impasse with the House over conference reports, to which I am supposed to have replied, "No, none of that foolishness."

Madam President, I made no such statement to any reporter or newsmen because, as a matter of fact, the current impasse with the House inevitably was discussed, and it is because of it that the Senate should now take action on House Joint Resolution 745, which was referred to the Senate Committee on Appropriations on June 14, and which was reported to the Senate yesterday.

Mr. HOLLAND. Madam President, I concur in the statement made by the distinguished Senator from Arizona. It appearing that there would not be any conference, the committee and staff worked up the items which I am now attempting to report to the Senate, in an effort to make the continuing resolution as adequate as possible to meet the various needs of the governmental agencies.

The second item is for the Coast and Geodetic Survey in the Department of Commerce. The situation is this. The House resolution included \$200,000; the Senate Committee had put in an additional \$425,000, which were disaster funds, because the Coast and Geodetic Survey was having to resurvey many of the inlets and small harbors along the Atlantic coast that were recently damaged by the storm. Since so much time had elapsed, we checked with the Coast and Geodetic Survey and were advised that, instead of \$425,000, \$234,000 is now urgently needed; and it is that additional amount that we have included in this resolution.

The memorandum from the Department of Commerce, Coast and Geodetic Survey, on this subject, dated June 15, 1962, states:

If the additional funds in the amount of \$234,000 are not made available, the Coast and Geodetic Survey will have to cancel orders for procurement of vital surveying equipment for which bids have been accepted. Additionally, large numbers of personnel will have to be furloughed without pay in order to stay within the availability of the amount currently appropriated.

I ask unanimous consent that the memorandum be placed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EFFECT OF HOUSE JOINT RESOLUTION 745
DEPARTMENT OF COMMERCE,
COAST AND GEODETIC SURVEY,
June 15, 1962.

The second supplemental request contains an appropriation item for an additional amount for salaries and expenses of \$625,000 to cover mandatory pay increases in an amount of \$200,000 and storm damage surveys in the amount of \$425,000.

It is our understanding that enactment of House Joint Resolution 745 as it passed the House will provide \$200,000 for mandatory pay increases, since this item meets the provisions of the joint resolution. How-

ever, the amount of \$425,000 would not be made available under the joint resolution in its present form.

A careful analysis of the funding requirements of the Coast and Geodetic Survey from June 15 through June 30, 1962, indicates a minimum additional requirement in the amount of \$234,000 which is \$191,000 below the amount of \$425,000 originally requested for this purpose. A breakdown of additional requirements in the amount of \$234,000 is as follows:

Geodesy.....	\$114,000
Photogrammetry.....	70,000
Cartography.....	50,000
Total.....	\$234,000

¹ This is based on cancellation of items under procurement and delaying balance of repairs on ship *Scott*.

If the additional funds in the amount of \$234,000 are not made available, the Coast and Geodetic Survey will have to cancel orders for procurement of vital surveying equipment for which bids have been accepted. Additionally, large numbers of personnel will have to be furloughed without pay in order to stay within the availability of the amount currently appropriated.

Mr. HOLLAND. Madam President, the next item is for participation in New York's World Fair. The Senate may recall that the House bill provided \$17 million for this item, and that the Senate committee recommended \$15 million, and the Senate adopted that amount. We are advised by the General Services Administration, who would handle the construction of the Federal building there, that the time remaining, even when our hearings were underway, was really inadequate for the proper completion of the building, and, as stated by Mr. Hunter, "We are going to have to telescope this all into those 2 years and 15 days."

We are also advised that this is of very great importance, not only to various Members of the Senate, but to various Members of the House of Representatives. We felt this item should be continued, because it has been determined by separate votes of both Houses of Congress that the United States should go into this project. We have, therefore, included the item for the smaller amount in either bill, or for \$15 million.

The next item appropriates funds to the President for disaster relief. Both versions of the bill included \$25 million for that purpose. It had to do with other relatively small disasters in the Nation, but principally with the disasters along the eastern seaboard in connection with the storm of a few months ago.

We have a communication from the Office of Emergency Planning, to the effect that \$15 million has already been awarded, and they have not been able to pay the money to five States, as follows: New York, in the amount of \$3,500,000; Maryland, in the amount of \$500,000; Delaware, in the amount of \$2,500,000; Virginia, in the amount of \$3,500,000; and New Jersey, in the amount of \$5 million.

We have felt that this is one of those items that, by all means, ought to be carried forward in a supplemental bill, and we regret the delay by virtue of the fact that it has been postponed so long. We have insisted that this item go into

the continuing resolution. I am not advised why it was left out.

Mr. CASE. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished Senator from New Jersey.

Mr. CASE. I thank the Senator for his persistent understanding of the needs of New Jersey and other States along the Atlantic seaboard. On behalf of myself and everyone in my State, I express the appreciation of all of us for what the Senator from Florida has done, with respect to that item, and also in regard to the small business revolving fund, which the Senator will explain later, also affecting my State.

Mr. HOLLAND. I thank the Senator. I am sure he would take the same position if any other State in the Nation were involved. Certainly, I would. I feel this disaster money is a first charge upon the pocketbook of the Nation.

Madam President, I ask unanimous consent that there be included in the RECORD at this point a letter from Mr. Edward A. McDermott, the Director of the Office of Emergency Planning, Executive Office of the President, dated June 15, 1962, together with the enclosure.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF
THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C., June 15, 1962.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Deficiencies
and Supplementals, Senate Appropriations
Committee, U.S. Senate, Washington,
D.C.

DEAR SENATOR HOLLAND: On April 4, 1962, I appeared before your subcommittee in support of a supplemental appropriation of \$25 million to finance Federal disaster assistance to the States. There is a critical need for this appropriation, and I urge that the sum requested be made available as quickly as possible.

The President during March made declarations of "major disasters" in the States of Delaware, Maryland, Virginia, and New York. The lack of funds has made it impossible to provide these States with the Federal funds required for recovery and restoration work eligible under Public Law 81-875. In addition, the State of New Jersey, which received an initial allocation of \$10 million on March 23, will soon reach a point where the funds available for eligible projects will be exhausted.

Some disaster recovery work is performed by Federal agencies. In other situations the local governments themselves contract for the performance of repair and restoration work eligible for Federal assistance under Public Law 81-875. These governments have made application to the Office of Emergency Planning for financial assistance. We cannot take action on these applications and obligate the necessary moneys until funds are made available to cover the amounts requested.

Many of the eligible projects for which local governments have let contracts have been completed or will soon be completed. Officials of cities and counties are understandably pressing for approval of their project applications and for provision of Federal funds for the eligible disaster work. The Governors are likewise concerned that allocations of Federal funds be made as soon as possible.

The present balance in the President's Disaster Fund is \$1,278,429, consisting of funds

recently recovered from prior years' allocations. The immediate need for disaster work in the east coast States amounts to \$15 million, as shown on the enclosed table. The balance of the \$25 million requested would provide funds for the remainder of this fiscal year and for a carryover into fiscal year 1963. No funds are included for this purpose in our regular appropriations request for 1963.

Sincerely,

EDWARD A. McDERMOTT.

Immediate fund requirements for Federal disaster assistance

New York.....	\$3,500,000
Maryland.....	500,000
Delaware.....	2,500,000
Virginia.....	3,500,000
New Jersey.....	5,000,000

Total..... 15,000,000

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. I am going to support this joint resolution. I agree with the Senator from Florida that there are many items on which it is very important to act at this time, including some of the appropriations for the disaster areas, and I shall support these efforts. However, there was one item in one of the supplemental appropriation bills which passed which I did not think was necessary. It is my understanding it has been deleted from this joint resolution. I wanted to make sure of it.

Mr. HOLLAND. What was that item?

Mr. WILLIAMS of Delaware. That was the item of \$4,880,000 which had been included in one of the appropriation bills for the subsidization of the lead and zinc mining industry. I did not feel it was an emergency. Personally, I thought it would have been better if we had defeated that item.

Am I correct in my understanding that, as we approve the joint resolution, the item of \$4,880,000, supposedly a subsidy for the lead and zinc mining industry, has been deleted and will not be brought back before us unless it is brought back as a part of another appropriation bill for consideration, at which time we can consider it?

Mr. HOLLAND. The item has been deleted. It does not appear either in the House joint resolution or the Senate amendments. I cannot say when or whether or how the matter will come back to the floor, but it is not involved at all in the matter now pending before the Senate.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. If it comes up again, it will have to come up either on the Presidential budget or in a measure from the House, in which case there will be an opportunity for an open hearing. We can almost affirmatively say that it could not be brought up before us in this fiscal year. The time will expire on June 30 of this year. It would have to come in a Presidential message.

Mr. HOLLAND. I agree that, almost certainly, it would have to come in by one of the two methods the Senator has mentioned. There is one other possibility, and that is only remote, which is

that the House will send us another continuing resolution between now and the end of the fiscal year which would include that item. I know of no probability of such an occurrence. So far as I am concerned, that is not an appropriate item at this time, because with the few days remaining in this fiscal year, I think we should confine the measure not only to matters of grave emergency, but also to matters which would not lead to a conference between the two bodies, but which would be susceptible, we hope, of being taken by the other body in the form in which we approve it.

Mr. SALTONSTALL. If there were another continuing resolution, which is extremely doubtful, there would be an opportunity to have a consideration of it before the Appropriations Committee, at which time the Senator from Delaware would have an opportunity to discuss it.

Mr. HOLLAND. The Senator is completely right. Both the committee and the Senate would have a full chance to work their will on such a continuing resolution.

Again I say that I have no expectation whatever that another such continuing resolution will come along, but since it is in the realm of possibility, I felt I should mention it.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. I appreciate the assurances of the Senator from Florida and the Senator from Massachusetts. With those assurances I have no objection to the joint resolution, and I will support it.

I close with the statement that if such a request should be renewed—as to putting \$4 million, \$5 million, or whatever the item might be for the lead and zinc subsidy into the resolution—when it comes to the Senate I shall appreciate it if the Senator from Florida or whoever is in charge of presentation of the measure will notify me, if I should happen to miss the item.

Mr. HOLLAND. Madam President, I assure the Senator that I shall take personal responsibility for notifying him.

One further point was called to my attention by one of the watchful members of the staff of the Committee on Appropriations. This point is with respect to the remote possibility that the supplemental bill should go to conference. In that event, that item would not be in conference, because it has been passed in both Houses in the same way. I think the possibility of such a conference is even more remote than the other possibility I suggested a while ago.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF EDUCATION

Madam President, the next item is for the Department of Health, Education, and Welfare, for the Office of Education. The committee has included \$15,707,000 to provide sufficient funds to pay the full entitlements under Public Law 874 to school districts in federally affected areas for maintenance and operation of schools.

This figure appears both in the House version and the Senate version of the second supplemental appropriation bill.

Why the item did not appear in the continuing resolution I am unable to say.

Mr. JOHNSTON. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from South Carolina.

Mr. JOHNSTON. I should like to ask the Senator from Florida, who is handling the presentation of the joint resolution, what happened to the \$7,092,000 for buildings?

Mr. HOLLAND. The distinguished Senator from South Carolina, who has been so interested in this particular item and so effective in getting it made a part of the Senate version of the supplemental appropriation bill knows that that item was not in the original House supplemental appropriation bill; it appeared in only the Senate version of the bill. Likewise, we were advised by some who have been following closely the conference between the two bodies on another education bill that the question of construction of school facilities with Federal money is at present quite a controversial item as between the two Houses.

While our committee is strongly in favor of this item and will take the first opportunity to place it in some other measure, hoping that this resolution will not lead to a request for a conference, we felt that this item should not be placed in the Senate amendments. That is as much a matter of regret to the Senator from Florida as it is to the Senator from South Carolina, because we both have impacted districts in our States, where this is a very practical and important item.

Mr. JOHNSTON. I presume the Senator will agree with me on the fact that since the impacted areas have been caused by the Federal Government, this construction item is in a little different category from the ordinary buildings being built in various States.

Mr. HOLLAND. I agree.

To complete my statement on this item, we had before us in the hearings on the bill Dr. Sterling M. McMurrin, Commissioner of Education, who stated that the first named amount, \$15,707,000, would pay in full the entitlements of the various impacted areas for fiscal year 1962. We have included and continued that item. Regretfully, for the reasons already stated, we had to eliminate the item which the Senator from South Carolina has mentioned.

Mr. JOHNSTON. I am glad the Senator still holds out a hope for the future for this special appropriation.

Mr. HOLLAND. I not only hold out a hope, but I express the view of members of the committee for whom I speak that the amendment should be enacted. We shall seek the occasion to place it in a bill soon to be considered, in the hope that the item may be enacted in the near future.

Mr. JOHNSTON. Since I know the difficulties under which the Senators are acting at the present time, I agree with the Senator from Florida that that is probably as far as we can go at this time.

Mr. HOLLAND. I thank the Senator for his understanding and forbearance. I shall regret the decision as much as he.

PUBLIC HEALTH SERVICE HOSPITALS AND MEDICAL CARE

For the Public Health Service, Hospitals, and Medical Care, the committee has added \$174,000. That is the item, as shown by the testimony of Dr. Miller, which is to be found on page 277 of the hearings of the committee, as already due to other than Government hospitals for the care of patients for whom the Public Health Service is responsible under the law. We felt that by all means this deficiency item should likewise appear in the resolution.

SMALL BUSINESS ADMINISTRATION REVOLVING FUND

I invite attention in particular to the item for the Small Business Administration. The Small Business Administration had to discontinue the granting of badly needed loans in March or early April because of the exhaustion or practical exhaustion of its revolving fund. Both versions of the supplemental appropriation bill took care of this problem; the House bill in the amount of \$85 million, and the Senate amendment in the amount of \$90 million. We were advised by John E. Horne, Administrator of the Small Business Administration, by letter dated June 15, that the organization has been practically stymied in this long period of time.

This appropriation also affects disaster relief loans in the disaster-ridden parts of the country. Therefore, we have placed in the resolution the \$85 million, which is the smaller of the two amounts. We have deleted the special direction which was in the Senate bill for \$15 million to be spent alone in disaster relief, because we have learned from the Administrator that the whole amount, if it is needed, can be used for that purpose, and that the Administrator places it as the first item for consideration by the Small Business Administration.

Mr. RANDOLPH. Madam President, will my capable colleague yield?

Mr. HOLLAND. I yield to the able Senator from West Virginia.

Mr. RANDOLPH. This is an appropriation item in which I have an intense interest. The Small Business Administration has accomplished throughout the Nation—and I invite particular attention to the State of West Virginia—a program of necessary assistance in loans for the development of new industries and in the desirable enlargement of present plants. Manpower is employed and products are manufactured when these loans are consummated. Local banks cooperate in this lending effort.

There are in West Virginia at the present time several loans which have been processed favorably but with respect to which no funds are available as of now. The moneys have not been forthcoming from the Small Business Administration to assist in the economic strengthening of the industrial base in West Virginia. There is affirmative action by SBA, at State, regional and Federal levels in prompt consideration of requests. Our applications are given prompt attention.

I recognize the problems which have been inherent in the consideration of

this \$85 million by the Senate Committee on Appropriations. I am also impressed with the realization of the need as well expressed by the Senator from Florida. An absorbing effort is being made to allow the Small Business Administration to proceed in an orderly manner, not only with the processing of the loans, but also with the funding of the loans.

In West Virginia we have been very careful to see that loans were not given precedence for what we might call "desirable but unnecessary" items or enlargements, such as bowling alleys and the like. I do not speak in disparagement of such applications, but in our State, where men need to be gainfully employed, the loans have largely gone for the development and expansion of industrial enterprises.

For that reason, in West Virginia we are very conscious of the worthwhile work which is being carried forward by the Small Business Administration. I wish to express my appreciation for the realistic manner in which the Senate, through action of the Committee on Appropriations, has attempted to meet, at least partially, this very pressing problem.

Madam President, I do not overemphasize when I state this is a pressing problem. In a speech in this forum on June 14 I called attention to the plight of SBA in carrying forward its work, in accordance with the intent of the Congress. This agency has, I repeat, been given too little attention commensurate with the vital role it performs in our economic well-being.

In a letter to President Kennedy on June 6, 1962, I wrote:

I feel sure, Mr. President, that you deplore, as I do, the fact that because of controversy between the Appropriations Committees, not even the \$90 million request of the Budget Bureau has been made available. Thus, since March of this year, SBA has been without funds for lending purposes, except for the relatively small amounts made available from loan collections accruing to the revolving fund.

In concluding the letter to the President, I wrote:

I intend to urge in the Senate without delay that there be a cognizance of these conditions, both in the legislative and executive branches. When such a vital element of our Government's economy stimulating agencies as the Small Business Administration is virtually forced by fiscal starvation to ride at anchor we are permitting both the agency and the economy to rust and erode. I am disturbed by this condition and urge that it be corrected. This is a petition both to my colleagues of the Congress and to you as the Chief Executive.

I commend my knowledgeable colleague, who handles this measure, for his voiced concern, in which I join, for the availability of funds to meet immediate calls on SBA. This is a partial step, but it is a positive one.

Mr. HOLLAND. Madam President, on behalf of the committee, I thank the distinguished Senator. I ask that there be printed at this point in my remarks the letter to me from Mr. John E. Horne, Administrator of the Small Business Administration, dated June 15, 1962.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., June 15, 1962.

Hon. SPENSARD L. HOLLAND,
Chairman, Subcommittee on Deficiencies and
Supplementals, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR SENATOR HOLLAND: Knowing of your interest in the SBA programs, I thought I should report to you on the current status of our lending operations.

As you will recall, I found it necessary on March 9 to discontinue the approval of business and investment company loans in order that the small balance remaining in the revolving fund could be reserved for disaster loans. This situation was made most urgent at that time because of the magnitude of the disaster which struck the east coast on March 6 and 7. With the small balance remaining at that time plus current collections in the fund, we have been able to continue the processing of disaster loans without interruption and we have been able to approve some very urgent business loans.

In order that applicants for business loans and investment and development company loans could be advised of the status of their applications, we continued the processing of all applications received. We, of course, advised applicants of those requests we could not approve. For those applications which otherwise would have been approved, we informed the applicant of that fact but that formal approval could not be made until such time as additional funds were made available through an appropriation to the revolving fund.

H.R. 11038 included \$85 million as it passed the House and was amended to \$90 million in the Senate. The portion of the above amounts to be available for business and investment and development company loans was \$75 million. At the present time, business loan applications which have been processed to the point of approval total \$43,280,000. Investment and development company loans in the same category total \$14,600,000. In other words, we have a total of about \$58 million in loans processed and awaiting the appropriation contained in the Second Supplemental Appropriation Act, 1962, and this total is increasing daily. I should mention also that some of these applications were processed during the month of March and are now over 3 months old.

Anything that you can do to expedite action on H.R. 11038 will be sincerely appreciated.

With kind regards, I am,

Sincerely, JOHN E. HORNE,
Administrator.

Mr. STENNIS. Madam President, if the Senator has completed his statement on the subject of the Small Business Administration, I wish he would yield to me for one comment.

Mr. HOLLAND. I yield to the Senator from Mississippi.

Mr. STENNIS. Madam President, I have noted with interest an item of \$25 million in the bill for Farm Home Administration loans. Is the figure of \$25 million correct?

Mr. HOLLAND. The Senator is correct. The Senator from Mississippi is one of those who have been very active, along with the Senator from North Dakota and the Senator from South Dakota and others, in placing in the Senate bill the larger amount of \$50 million for that same purpose. The amount was reduced to \$25 million for the reasons already stated in the RECORD.

Mr. STENNIS. I appreciate the interest of the Senator from Florida in that item. I am sure that it will be vigorously defended if there is a conference on the bill. In Mississippi we have been unusually successful with the loans. They serve a very fine purpose. No money has been lost. On the other hand, the interest has been paid. Interest payments have taken care of the servicing of the loans. We now have on hand applications which meet the requirements and which have already been approved totaling almost \$5 million. I am now referring to building loans rather than operating loans. That proves conclusively the demand for the sound, proven program of which we are speaking. If we were to fail to provide the funds, we would withhold benefits from potential borrowers. The funds made available through the program represent the only source from which the borrowers can obtain loans of the kind needed.

I hope the Senate will agree to the figure recommended, and that the Senate conferees will vigorously defend it should there be a conference on the bill.

Mr. HOLLAND. I thank the Senator from Mississippi. I assure him that the committee as a whole was exceedingly interested in the retention of that much of the original item.

The next item refers to the Judiciary. One hundred thousand dollars would be transferred from the referee's special account of moneys already on hand, and the payment of funds which must be made available so that referees may be paid would be authorized.

I see the distinguished Senator from Nebraska [Mr. HRUSKA] present in the Chamber. He is especially interested in that item and the one which follows. All members of the committee were glad to agree that those items should be included in the resolution.

Mr. HRUSKA. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HRUSKA. The Senator from Nebraska would like to express his appreciation for the understanding and cooperation which have been extended by the Senator from Florida, particularly in connection with the two items referred to. They are very necessary at this stage to enable the court system to finish out the year, which will shortly be concluded. At the same time, I take this opportunity to extend my commendations and congratulations to the Senator from Florida for his very excellent work in obtaining the cooperation of the entire committee toward the end that the procedure may be concluded promptly and efficiently.

Mr. HOLLAND. I thank my distinguished friend. Again I point out that it is the action of the entire committee, for which I am merely serving at this moment as a mouthpiece.

The next item relates to the Department of Justice. The proposed appropriation is for U.S. attorneys and marshals. It develops that only \$100,000 of the \$200,000 provided in the Senate version of this bill would actually be needed for the payment of the extra attorneys and marshals appointed in connection

with the service of new judges whose nominations we have confirmed in recent months.

I have received a letter from Mr. S. A. Andretta, Administrative Assistant of the Attorney General, dated June 15, in which he asked for the full \$200,000. Later he called to say that \$100,000 would see the Department through until the end of the year. I shall not ask to have the letter printed in the RECORD because it covers the original request of \$200,000. But I wish to state for the record that Mr. Andretta has advised us that \$100,000 is urgently needed and will be required to be paid out between now and the end of the fiscal year.

I refer next to the item "Legislative branch—Senate"; \$45,000 is allowed for payment to the widows of our late distinguished colleagues, Senator Bridges of New Hampshire and Senator Schoepel of Kansas. I state this item separately because it was included in our supplemental bill.

We also added a new but similar item—and it is the only item added to the resolution which does not already appear in the supplemental bill—of \$22,500 for payment to the widow of our late beloved friend Senator Case of South Dakota.

For the House of Representatives there is inserted a similar item for \$80,000 for payment to the beneficiaries of three Members of the House of Representatives.

With reference to the Department of State, there is an item of \$2,500,000, which was contained in both versions of the bill, and which is urgently required for traveling and other expenses. The Department is already without money to pay such expenses.

In closing, let me say that by our action we have tried to add items which we believed to be so urgent that they will receive the approval of our brethren at the other end of the Capitol. We have necessarily omitted many items which we believe to be necessary and were con-

tained in the original supplemental bill. The total amount proposed by the resolution, with the Senate amendments, is a little less than half as much as the original supplemental bill. Many items will have to be dealt with shortly, but they are not as urgent or as emergent in nature as the ones which we have included.

Mr. YOUNG of North Dakota, Madam President, will the Senator yield?

Mr. HOLLAND. I will yield in a moment.

I ask that there be printed at this point in the RECORD a table showing the comparison of House Joint Resolution 745 as passed by the House and as passed by the Senate, showing also budget estimates and House and Senate versions of H.R. 11038, the Second Supplemental for 1962.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.J. Res. 745, passed House June 14 and passed Senate June 23—Comparison of House joint resolution with 2d supplemental, 1962 (H.R. 11038)

H. Doc. No.	Department or activity	2d supplemental, 1962			Ceilings included in H.J. Res. 745 by House	H.J. Res. 745 compared with Senate version of H.R. 11038	Senate version of H.J. Res. 745	Senate increases
		Budget estimates	House bill	Senate bill				
	DEPARTMENT OF AGRICULTURE							
333	Agricultural Research Service: Salaries and expenses.....	\$3,000,000	\$2,500,000	\$3,000,000		—\$3,000,000		
333	Agricultural Marketing Service: Marketing research and service.....	450,000	425,000	425,000	\$425,000		\$425,000	
				(50,000,000)		(—50,000,000)	(25,000,000)	(25,000,000)
333	Farmers Home Administration: Direct loan account.....	37,000,000	37,000,000	37,000,000	37,000,000		37,000,000	
	Forest Service: Forest protection and utilization.....							
	Total, Department of Agriculture.....	40,450,000	39,925,000	40,425,000	37,425,000	—3,000,000	37,425,000	(25,000,000)
	DEPARTMENT OF COMMERCE							
333 and S. Doc. 83	Coast and Geodetic Survey: Salaries and expenses.....	633,000	200,000	625,000	200,000	—245,000	434,000	234,000
333	Maritime Administration: Operating-differential subsidies (liquidation of contract authorization).....	25,000,000	20,000,000	20,000,000		—20,000,000		
363	General administration: Participation in New York World's Fair.....	25,000,000	17,000,000	15,000,000		—15,000,000	15,000,000	15,000,000
	Total, Department of Commerce.....	50,633,000	37,200,000	35,625,000	200,000	—35,425,000	15,434,000	15,234,000
	DEPARTMENT OF DEFENSE—CIVIL							
333 and S. Doc. 83	Department of the Army: Corps of Engineers—Civil: Operation and maintenance, general.....	3,900,000	1,500,000	3,900,000		—3,900,000		
333	U.S. Soldiers' Home: Limitation on operation and maintenance and capital outlay.....	(144,000)	(134,000)	(134,000)	(134,000)		(134,000)	
	DISTRICT OF COLUMBIA							
	District of Columbia funds:							
	Operating expenses:							
333	General operating expenses.....	(86,500)	(63,000)	(77,500)		(—77,500)		
333	Public safety.....	(377,000)	(355,000)	(355,000)		(—355,000)		
333	Personal services, wage-board employees.....	(231,000)	(225,000)	(225,000)		(—225,000)		
333	Settlement of claims and suits.....	(7,347)	(7,347)	(7,347)		(—7,347)		
333	Capital outlay (language).....	(914,000)	(60,000)	(60,000)		(—60,000)		
	Total, District of Columbia.....	(701,847)	(650,347)	(664,847)		(—664,847)		
	FUNDS APPROPRIATED TO THE PRESIDENT							
365	Disaster relief.....	25,000,000	25,000,000	25,000,000		—25,000,000	25,000,000	25,000,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
333	Office of Education:							
	Defense educational activities.....	16,155,000	16,155,000	16,155,000		—16,155,000		
	Payments to school districts.....		15,707,000	15,707,000		—15,707,000	15,707,000	15,707,000
	Assistance for school construction.....			7,092,000		—7,092,000		
	Public Health Service:							
	Grants for waste treatment works construction.....	5,000,000		5,000,000		—5,000,000		
S. Doc. 83	Hospitals and medical care.....	174,000		174,000		—174,000	174,000	174,000
333	Indian health activities.....	267,000	250,000	250,000	250,000		250,000	
333	St. Elizabeths Hospital: Salaries and expenses.....	146,000	135,000	135,000	135,000		135,000	
333	Social Security Administration, Bureau of Public Assistance: Grants to States for public assistance.....	85,000,000	80,000,000	80,000,000	80,000,000		80,000,000	
	Total, Department of Health, Education, and Welfare.....	106,742,000	112,247,000	124,513,000	80,385,000	—44,128,000	96,266,000	15,881,000
	INDEPENDENT OFFICES							
333	Civil Aeronautics Board: Salaries and expenses.....	(40,000)	(40,000)	(40,000)		(—40,000)		
333	Delaware River Basin Commission: Salaries and expenses.....	18,000	18,000	18,000		—18,000		

H.J. Res. 745, passed House June 14 and passed Senate June 23—Comparison of House joint resolution with 2d supplemental, 1962 (H.R. 11038)—Continued

H. Doc. No.	Department or activity	2d supplemental, 1962			Cellings included in H.J. Res. 745 by House	H.J. Res. 745 compared with Senate version of H.R. 11038	Senate version of H.J. Res. 745	Senate increases
		Budget estimates	House bill	Senate bill				
	INDEPENDENT OFFICES—continued							
S. Doc. 83	Delaware River Basin Commission—Continued							
	Contributions to Delaware River Basin Commission	\$20,000		\$20,000		—\$20,000		
333	Federal Home Loan Bank Board:							
	Limitation on administrative and nonadministrative expenses	(200,000)						
333	Limitation on administrative expenses, Federal Savings and Loan Insurance Corporation	(20,000)						
333	Federal Maritime Commission: Salaries and expenses	330,000		175,000		—175,000		
333	Federal Power Commission: Salaries and expenses	325,000		150,000		—150,000		
333	General Accounting Office: Salaries and expenses	(375,000)	(375,000)	(375,000)		(—375,000)		
	General Services Administration:							
333	Additional court facilities	2,500,000	2,000,000	2,000,000		—2,000,000		
333	Operating expenses, Public Buildings Service	2,650,000	2,250,000	2,250,000	\$2,250,000		\$2,250,000	
S. Doc. 83	Acquisition of land and building, Chicago, Ill.	2,703,000		2,703,000	2,703,000		2,703,000	
333	General supply fund	10,000,000	5,000,000	10,000,000		—10,000,000		
333	Expenses, supply distribution	488,000	350,000	488,000	350,000	—138,000	350,000	
	Total, General Services Administration	18,341,000	9,600,000	17,441,000	5,303,000	—12,138,000	5,303,000	
S. Doc. 83	Housing and Home Finance Agency:							
	Office of the Administrator: Public works planning fund	2,000,000		2,000,000		—2,000,000		
333	Public Housing Administration:							
	Administrative expenses	80,000						
333	Limitation on administrative and nonadministrative expenses	(18,000)						
333	Interstate Commerce Commission: Salaries and expenses	125,000	100,000	125,000		—125,000		
	National Aeronautics and Space Administration:							
333	Research and development	85,000,000	80,000,000	85,000,000		—85,000,000		
333	Construction of facilities	71,000,000		71,000,000		—71,000,000		
	Total, National Aeronautics and Space Administration	156,000,000	80,000,000	156,000,000		—156,000,000		
333	National Mediation Board: Salaries and expenses	60,000	50,000	50,000	50,000		50,000	
333	Securities and Exchange Commission: Salaries and expenses	(64,000)	(64,000)	(64,000)		(—64,000)		
333	Selective Service System: Salaries and expenses	(13,000)	(13,000)	(13,000)		(—13,000)		
333,365	Small Business Administration: Revolving fund	90,000,000	85,000,000	90,000,000		—90,000,000	85,000,000	\$85,000,000
333	Tax Court of the United States: Salaries and expenses	(20,000)	(20,000)	(20,000)		(—20,000)		
	Veterans' Administration:							
333	Medical care	5,360,000	4,000,000	4,000,000	4,000,000		4,000,000	
333	Compensation and pensions	21,000,000	15,000,000	15,000,000		—15,000,000		
	Total, Veterans' Administration	26,360,000	19,000,000	19,000,000	4,000,000	—15,000,000	4,000,000	
	Total, independent offices	293,650,000	193,768,000	284,979,000	9,353,000	—275,626,000	94,353,000	85,000,000
	DEPARTMENT OF THE INTERIOR							
333	Bureau of Land Management:							
S. Doc. 83	Management of lands and resources	1,760,000	1,250,000	1,760,000	1,250,000	—510,000	1,250,000	
333	Construction	200,000		200,000		—200,000		
333	National Park Service: Management and protection	875,000	775,000	875,000	775,000	—100,000	775,000	
333	National Park Service:							
S. Doc. 83	Maintenance and rehabilitation of physical facilities	445,000	400,000	455,000	400,000	—55,000	400,000	
333	Construction	1,850,000		1,850,000		—1,850,000		
333	Bureau of Indian Affairs:							
S. Doc. 83	Resources management	820,000	720,000	820,000	720,000	—100,000	720,000	
333	Menominee educational grants	220,000		220,000		—220,000		
333	Bureau of Mines: Development and operation of helium properties	(17,500,000)	(15,500,000)	(15,500,000)		(—15,500,000)		
333	Office of Minerals Exploration: Lead and zinc stabilization program	4,880,000	4,880,000	4,880,000		—4,880,000		
333 and S. Doc. 83	Fish and Wildlife Service, Bureau of Sport Fisheries and Wildlife: Construction	1,990,000	300,000	1,990,000		—1,990,000		
	Total, Department of the Interior	13,050,000	8,325,000	13,050,000	3,145,000	—9,905,000	3,145,000	
	THE JUDICIARY							
333	Supreme Court of the United States:							
333	Printing and binding Supreme Court reports	16,000	13,000	13,000		—13,000		
	Care of the buildings and grounds	3,000	3,000	3,000		—3,000		
S. Doc. 83	Court of appeals, district courts, and other judicial services:							
333	Fees of jurors and commissioners	300,000		300,000	300,000		300,000	
333	Travel and miscellaneous expenses	314,000	230,000	230,000		—230,000		
333	Administrative Office of the U.S. Courts	17,000		11,250		—11,250		
333	Expenses of referees (special account)	(195,000)	(100,000)	(100,000)		(—100,000)	(100,000)	(100,000)
	Total, the judiciary	650,000	246,000	557,250	300,000	—257,250	300,000	(100,000)
	DEPARTMENT OF JUSTICE							
S. Doc. 83	Legal activities and general administration: Salaries and expenses, U.S. attorneys and marshals	200,000		200,000		—200,000	100,000	100,000
S. Doc. 83	Fees and expenses of witnesses	400,000		400,000	400,000		400,000	

H.J. Res. 745, passed House June 14 and passed Senate June 23—Comparison of House joint resolution with 2d supplemental, 1962 (H.R. 11038)—Continued

H. Doc. No.	Department or activity	2d supplemental, 1962			Ceilings included in H.J. Res. 745 by House	H.J. Res. 745 compared with Senate version of H.R. 11038	Senate version of H.J. Res. 745	Senate increases
		Budget estimates	House bill	Senate bill				
	DEPARTMENT OF JUSTICE—Continued							
	Federal Prison System:							
333	Salaries and expenses, Bureau of Prisons.....	\$176,000	\$176,000	\$176,000	\$176,000		\$176,000	
S. Doc. 83	Buildings and facilities, Bureau of Prisons.....	300,000		300,000		—\$300,000		
333 and S. Doc. 83	Support of U.S. prisoners.....	800,000	600,000	800,000	600,000	—200,000	600,000	
	Total, Department of Justice.....	1,876,000	776,000	1,876,000	1,176,000	—700,000	1,276,000	\$100,000
	DEPARTMENT OF LABOR							
S. Doc. 83	Manpower development and training activities.....	(\$2,850,000)		(\$2,850,000)		(—2,850,000)		
	LEGISLATIVE BRANCH							
	Senate:							
	Payments to beneficiaries of deceased Senators.....			45,000		—45,000	67,500	67,500
	Salaries, officers and employees:							
	Office of the Vice President.....			1,185		—1,185		
	Administrative and clerical assistance to Senators.....			122,980		—122,980		
	Contingent expenses of the Senate:							
	Joint Economic Committee.....			20,000		—20,000		
333	Miscellaneous items.....	286,000		286,000		—286,000		
	House of Representatives: Payments to beneficiaries of deceased Members.....		80,000	80,000		—80,000	80,000	80,000
	Architect of the Capitol:							
	Capitol buildings and grounds:							
355	Capitol buildings.....	7,500	7,500	7,500		—7,500		
355	Senate office buildings.....	15,000		15,000		—15,000		
355	House office buildings.....	7,500	7,500	7,500		—7,500		
355	Library buildings and grounds.....	6,000	6,000	6,000		—6,000		
	Total, legislative branch.....	322,000	101,000	591,165		—591,165	147,500	147,500
	DEPARTMENT OF STATE							
333	Administration of foreign affairs: Salaries and expenses.....	3,500,000	2,500,000	2,500,000		—2,500,000	2,500,000	2,500,000
333	International organizations and conferences: Contributions to international organizations.....	25,616,000	25,616,000	25,616,000		—25,616,000		
	Total, Department of State.....	29,116,000	28,116,000	28,116,000		—28,116,000	2,500,000	2,500,000
	DEPARTMENT OF TREASURY							
333	U.S. Secret Service: Salaries and expenses.....	210,000	210,000	210,000	210,000		210,000	
S. Doc. 84	Claims and judgments.....	1,065,929		1,065,929	1,065,929		1,065,929	
	Total, definite appropriations.....	566,673,929	447,414,000	559,908,344	133,259,929	—426,648,415	277,122,429	143,862,500
	Total, special account appropriations.....	195,000	100,000	100,000		—100,000	100,000	100,000
	Total in bill.....	566,868,929	447,514,000	560,008,344	133,259,929	—426,748,415	277,222,429	143,962,500

Mr. YOUNG of North Dakota. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Is it not true that a great many items which have been omitted from the bill were contained in the supplemental bill. These were for many items that were requested by the Bureau of the Budget and approved by both the House and Senate.

Mr. HOLLAND. The statement of the Senator is completely true. The table just inserted in the RECORD should show this quite clearly.

I regret that we could not have had a conference on the bill itself and have enacted a fuller measure dealing with more of the difficulties which assailed the agencies at the end of the fiscal year. But we felt that it was incumbent upon us, since the House had approached the problem in a limited manner, merely to select items which we thought were comparable to the items placed in the resolution by the House, and to record the fact that there were other items appearing in both bills, some of them in the same amount, which at this time we felt could not be placed in the most urgent group of items. I agree with the Senator that there are many items that we shall have to find a way to fund very shortly.

Mr. YOUNG of North Dakota. I believe the distinguished Senator has expressed the sentiment of the committee very well. I should like to mention two or three rather sizable items that were included in the supplemental bill which are left out of the pending resolution.

There was a budget estimate of \$3 million for the Agricultural Research Service, which was for the eradication of the screwworm in the Southwest States. These moneys are to be matched by the various States in that area. The States involved have assured us they were ready to match the Federal funds. The House cut the appropriation to \$2.5 million. The Senate restored the appropriation to \$3 million. This \$3 million item is not included in the resolution before the Senate.

We left that item out. We also left out the item for the Commerce Department involving the Maritime Administration, on which \$25 million was requested by the President, and on which the House allowed \$20 million and the Senate allowed \$20 million. That item was deleted.

Mr. HOLLAND. The Senator is correct.

Mr. YOUNG of North Dakota. Another item that was deleted was for the defense education activity, to which

the Senator has already referred. The budget estimate was \$16,155,000. The House allowed the full amount, and so did the Senate. That is another item that does not appear in the joint resolution.

Mr. HOLLAND. The Senator is correct.

Mr. YOUNG of North Dakota. I call attention to one more item. This deals with the National Aeronautics and Space Administration. The budget estimate was \$85 million. The House allowed \$80 million. The Senate bill allowed \$85 million. That item does not appear in the joint resolution.

Mr. HOLLAND. The Senator is correct. That particular item gives some concern to the Senator from Florida, because a sizable portion of that amount concerns the State which I have the honor to represent in part.

Mr. YOUNG of North Dakota. These amounts were left out because of the difficulty we are in at the present time.

Mr. HOLLAND. Yes. The Senator has illustrated the way in which the committee has been moved to place into the joint resolution, by way of amendments, items which we feel were comparable, under the emergency conditions obtaining, with items already included in the House joint resolution. I thank

the Senator for bringing out these facts.

The PRESIDING OFFICER. The committee amendments will be stated.

Mr. HOLLAND. Madam President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The House joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 745) was read the third time and passed.

Mr. HOLLAND. Madam President, I move that the Senate reconsider the vote by which the joint resolution was passed.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEATING. Madam President, now that action has been taken on the joint resolution, I wish to express to my distinguished friend from Florida the gratitude which I feel and I know my colleague from New York feels for the action which was taken with reference to the New York World's Fair. Time is getting short, as he has said, and it will take a herculean effort to be able to build the kind of pavilion which all of us want and which will compare favorably with the exhibits of other nations.

I also wish to express to the Senator from Florida our gratitude for the prompt action which was taken on the disaster situation we had in New York and New Jersey and other areas by reason of the recent floods, and for the help which will be extended by the action taken on this measure.

The Senator from Florida has been unusually cooperative and thoughtful and helpful in these matters. I did not want the occasion to pass without expressing my deep gratitude to him.

Mr. HOLLAND. I appreciate the gracious comment of my distinguished friend.

Mr. JAVITS. Madam President, I wish to express my appreciation to my distinguished colleague, the Senator from Florida [Mr. HOLLAND], to the subcommittee he heads, and to the Appropriations Committee for the gracious and considered way in which the appropriation for the New York World's Fair is being dealt with in this supplemental appropriation bill. I did not wish to interrupt the Senator while he was discussing this supplemental appropriation in its details but desire now to express what I know to be the satisfaction of New York's authorities and the World's Fair authorities for the consideration which is being shown for the distinguished contribution which the U.S. exhibit and the World's Fair in New York

in 1964 will make to our mission of peace in the world.

Mr. HOLLAND. I thank the Senator.

EXPORT CONTROL ACT—AMENDMENT REQUIRING DISCLOSURE OF INFORMATION

Mr. KEATING. Madam President, during the debate on S. 3161 I had sent to the desk an amendment designated as "6-15-62-A." In order not to delay the vote on the measure I said at the time that I would withdraw the amendment, in accordance with the agreement entered into between the Senator from Alabama and myself. However, I would like to explain briefly the purpose of the amendment since I believe it is important that we deal with this situation at an early date.

This amendment is directed at the need to foster the fullest, freest flow of information reasonably possible between the agencies that administer this act, and the public and the Congress. If we are to be informed and to understand the operation of our Government in this critical area of the struggle with communism, we must not allow unnecessary barriers to the flow of information to continue to stand.

As the law is now written, there is a presumption against the disclosure of any of the information obtained in the operation of this act. The act forbids the dissemination of any information unless it is determined that the withholding itself would endanger the national interest. I submit that this procedure is precisely the reverse of our long, historical tradition of trying to maintain as far as possible the free flow of information. A law which actually promotes the withholding of information by the Government, cannot be reconciled with principles of freedom.

It is difficult to understand how we are protecting our national security by withholding information about procurement by the Soviet bloc. The Communists know precisely what they are buying and from whom. Any claim that this policy of secrecy is necessary to keep information from the Reds would be without merit. In most cases it is only the American public, not the Soviet Government, which is being denied access to full information about Communist procurement from the United States.

There is no way to judge and evaluate our bloc trade policy if we hide behind a wall of bureaucratic secrecy. The public has a right to know about our policies in this area, and a shroud of secrecy does little to aid in public understanding and appreciation. Silence only adds fuel to the concern and confusion that follows in the wake of particular revelations. There would be far less confusion if full information was made available. It is secrecy that nourishes confusion, not the true facts and reasoning behind the operation of our policy in this area.

There has been an unnecessary amount of secrecy in this whole area of Western trade with the Soviet bloc, not

only in relation to this act, but in others as well. During a colloquy with the Senator from Alabama in the course of debate on the foreign aid authorization bill, the Senator stated that there had been 33 instances of exceptions made in the enforcement of the Battle Act since 1951. He pointed out that all of the reports pertaining to these exceptions were classified, and not made generally available. The newspaper accounts of some of these cases have come not as a result of the free flow of information but through the initiative of the press in obtaining what they could. A Senator has access to this material, but he is, to all intents and purposes, barred from making the information public. The people of the country are entitled to more information about what has taken place under all of these laws dealing with trade with the Soviet bloc.

There is no question that foreign policy decisions cannot be made in the marketplace. But there is equally no doubting the fact that the policy that is made must be understood before it can receive the intelligent support it must achieve from the American people, and understanding requires knowledge of the facts.

In recent years, the need for the fullest communication between the Government, in all branches and at all levels, and the public has become even more acute. Congressional committees are constantly studying this problem in order to keep Congress abreast of the situation and to recommend corrective legislation. The provision now in the Export Control Act, with reference to the dissemination of information about this operation, looks exactly in the opposite direction from what our goal should be and what our goal is so frequently stated to be.

The amendment which I offered would provide two necessary exceptions to the disclosure of information—national security and trade secrets. The national security exception is an obvious one, about which, it seems to me, there can be little dispute. The trade secrets exception, I concede, raises some difficult questions, questions which have been raised by several Senators with whom I have spoken, including the distinguished Senator from Minnesota [Mr. HUMPHREY]. I have no particular pride of authorship of the language of the amendment; perhaps it could be better worded. The language is: "except trade secrets accepted on a confidential basis." That raises some questions, and I have been persuaded that it might be wise to hold hearings on this amendment.

We have today written an Export Control Act as permanent legislation. It is no longer temporary. It is now permanent law. I believe it has been greatly strengthened as permanent law by the amendments which were adopted. I should not want to have any amendment included about which there was any reasonable question.

The strongest opposition by the Department of Commerce to the amendments I proposed was reserved for this

particular provision. Some of the opposition may have been warranted, but some clearly was unwarranted.

Acting Secretary Gudeman actually claimed, in opposing my amendment, that the presumption in the Export Control Act against the disclosure of information was in general harmony with Government policy on freedom of information. That strikes me as being an astounding statement. I take strong exception to it. In a free society, the presumption must always be in favor of, not against, the communication of vital facts to the body politic.

The Gudeman report enunciates a point of view which, in my judgment, is a threat to the right of the people to know about the operations of their Government and to get information essential to passing judgment of the wisdom of particular policies. The Gudeman report reveals an attitude at a high level of government which makes even more acute the need to give this provision in the law immediate attention by the interested committees.

As the Senator from Alabama [Mr. SPARKMAN] pointed out, there is an interest on the part of both the Committee on Banking and Currency and the Committee on the Judiciary, because penal provisions are involved in this problem. So undoubtedly it would be wise to have both committees pass on the wording of the amendment.

Madam President, I cannot believe that President Kennedy would subscribe to the approach taken in the Gudeman report to the problem of public information. The President made one of the major themes of his campaign an attack upon the suppression of important information. During a speech at Mount Clemens, Mich., on October 26, 1960, the then Senator Kennedy declared that in America "the people, if they are armed with the truth, can be trusted to make the right decision." He stated that if "we are to make the sacrifices that are necessary to meet the challenge of the 1960's, we need to know the truth, the bad news as well as the good."

Senator Kennedy closed that speech by invoking the Biblical injunction:

Ye shall know the truth, and the truth shall make ye free.

In another speech, in Philadelphia, just a week before the election, Senator Kennedy declared firmly:

I have the utmost confidence in the American people to face all the facts, however harsh, and to provide for them.

These statements by President Kennedy cannot be reconciled with Acting Secretary Gudeman's pronouncements, and I cannot believe that President Kennedy is aware of the contents of the Gudeman report. If this report were called to the attention of the President, I am confident that he would repudiate the Gudeman report, unless he has drastically altered his views since 1960.

We in the Congress who trust the people, who believe in the right to know, and who desire congressional committees to be able to get the information they need to do a proper job, should—and must—do the same. We

should take the position which the President took in his campaign speeches in 1960, and against the position taken in the report submitted by Acting Secretary Gudeman.

Madam President, I hope the Senate will be given an opportunity to deal with this problem at an early date, and that both the committees to which I have referred will give the subject their earnest attention.

Again I express my gratitude to the distinguished Senator from Alabama [Mr. SPARKMAN] for his generous cooperation today.

ORDER OF BUSINESS

Mr. MANSFIELD. Madam President, I ask unanimous consent that the Senate may proceed to the consideration of measures on the calendar beginning with Calendar No. 1567 and ending with Calendar No. 1575. Before the question is put, I may say that this procedure has been cleared on both sides of the aisle and with interested Senators. To the best of my knowledge, these measures are noncontroversial.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Madam President, has consent been given to the request for consideration at this time of the measures on the calendar beginning with Calendar No. 1567 and extending to and including Calendar No. 1575?

The PRESIDING OFFICER. Yes, that request has been granted.

Mr. MANSFIELD. I understand that all of these are measures to which there is no objection. If there is objection to any of these bills, no action on the bills objected to will be taken.

The PRESIDING OFFICER. Pursuant to the order which has been entered, the Clerk will proceed to state the measures referred to.

Mr. MANSFIELD. Madam President, I ask unanimous consent that following the consideration of each of the measures referred to, excerpts from the committee reports and other appropriate material be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The first measure included in this group will be stated.

EXEMPTION OF FOWLING NETS FROM DUTY

The Senate proceeded to consider the bill (H.R. 6682) to provide for the exemption of fowling nets from duty, which had been reported from the Committee

on Finance, with amendments, on page 2, after line 2, to insert a new section, as follows:

SEC. 2. For the purpose of applying the provisions of sections 4218, 4220, and 6416 (b)(3) of the Internal Revenue Code of 1954, during the period beginning on January 1, 1955, and ending at the close of August 31, 1955, and for the purpose of applying the corresponding provisions of the Internal Revenue Code of 1939 for the period beginning on October 1, 1952, and ending at the close of December 31, 1954, with respect to the sale of a tube taxable under section 4141 of the Internal Revenue Code of 1954 or section 3404(b) of the Internal Revenue Code of 1939, as the case may be, to the manufacturer or producer of an article which—

(1) was primarily adapted for use as a component part of a television receiving set;

(2) was not a radio and television component taxable under section 4141 of the Internal Revenue Code of 1954 or a chassis taxable under section 3404(b) of the Internal Revenue Code of 1939, as the case may be; and

(3) was sold to a manufacturer or producer of television receiving sets taxable under section 4141 of the Internal Revenue Code of 1954 or section 3404(a) of the Internal Revenue Code of 1939, as the case may be;

such article shall be treated as having been taxable under section 4141 of the Internal Revenue Code of 1954 or section 3404(b) of the Internal Revenue Code of 1939, as the case may be.

And, on page 3, after line 3, to insert a new section, as follows:

SEC. 3. (a) Section 4216(f)(4)(C) of the Internal Revenue Code of 1954 (relating to the definition of local advertising) is amended by striking out "or appears in a newspaper" and inserting in lieu thereof "appears in a newspaper or magazine, or is displayed by means of an outdoor advertising sign or poster".

(b) The amendment made by subsection (a) shall apply with respect to articles sold on or after the first day of the first calendar quarter beginning more than 20 days after the date of the enactment of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "An act to provide for the exemption of fowling nets from duty, and for other purposes."

The excerpt from the report (No. 1607) is as follows:

I. PURPOSE

The purpose of H.R. 6682 is to provide for the duty-free entry of nets or sections or parts of nets, finished or unfinished, of whatever material or materials composed, for use in taking wild birds under licenses issued by an appropriate Federal or State governmental authority.

Your committee has added two provisions to this bill. One of these provides for the period from October 1, 1952, through August 31, 1955, that under certain conditions television tubes could be purchased tax free for incorporation in television tuners and similar nontaxable articles which subsequently are sold for use in taxable television sets. Second, your committee's bill provides that local (usually cooperative) advertising which may be excluded from the sales price to which the various manufacturers' excise tax rates apply may include advertising in magazines and on outdoor advertising signs or posters.

LANDS HELD IN TRUST FOR THE JICARILLA APACHE TRIBE

The bill (S. 2971) to declare that certain lands of the United States are held by the United States in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and of the following described lands, containing 7.00 acres, more or less, situated within the Jicarilla Apache Indian Reservation in the State of New Mexico, are hereby declared to be held by the United States in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation, New Mexico, subject to a reservation of the right of the United States to use so much of such lands, together with all facilities now thereon or hereafter installed by the United States, as shall in the opinion of the Secretary of the Interior be needed for the administration of the affairs of the tribe, and subject to a reservation in the United States of a right-of-way across any part of such lands which the Secretary of the Interior deems desirable in connection with the administration of the affairs of the tribe:

Township 30 north, range 1 west, New Mexico principal meridian (surveyed): Beginning at corner numbered 1 from which the southwest corner of section 15, township 30 north, range 1 west, New Mexico principal meridian, Rio Arriba County (surveyed), bears due south a distance of 11.142 chains and due west a distance of 15.651 chains; thence from corner numbered 1 due north a distance of 7.071 chains to corner numbered 2; thence due east a distance of 7.071 chains to corner numbered 3; thence due south a distance of 7.071 chains to corner numbered 4; thence due west a distance of 7.071 chains to the point of beginning, containing 5 acres, more or less.

Township 31 north, range 2 west, New Mexico principal meridian (surveyed): Beginning at corner numbered 1 from which the southwest corner of section 29, township 31 north, range 2 west, New Mexico principal meridian, Rio Arriba County (surveyed), bears due south a distance of 21.471 chains and due west a distance of 23.138 chains; thence from corner numbered 1 due west a distance of 3.162 chains to corner numbered 2; thence due north a distance of 3.162 chains to corner numbered 3; thence due east a distance of 3.162 chains to corner numbered 4; thence due south a distance of 3.162 chains to the point of beginning, containing 1 acre, more or less.

Also beginning at corner numbered 1 from which the southwest corner of section 29, township 31 north, range 2 west, New Mexico principal meridian, Rio Arriba County (surveyed), bears due south a distance of 26.043 chains and due west a distance of 23.138 chains; thence from corner numbered 1 due north a distance of 3.162 chains to corner numbered 2; thence due east a distance of 3.162 chains to corner numbered 3; thence due south a distance of 3.162 chains to corner numbered 4; thence due west a distance of 3.162 chains to the point of beginning, containing 1 acre, more or less.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The excerpt from the report (No. 1608) is as follows:

PURPOSE

The purpose of S. 2971, introduced by Senator ANDERSON, of New Mexico, is to declare that 7 acres of Federal lands on the Jicarilla Indian Reservation in New Mexico shall be held in trust for the tribe. The lands are all within the boundaries of the reservation.

The lands covered by the bill were purchased by the United States in 1931. Improvements on the lands consisting of lookout towers, two cabins, and two concrete cisterns, were transferred to the tribe in 1953. The tribe desires the land for forest fire protection purposes in connection with its sustained-yield forest management program. The right to use the lands and improvements thereon in the administration of tribal affairs is reserved to the United States.

The bill contains a directive in section 2 to the Indian Claims Commission relating to a possible setoff of the value of the lands donated. This section conforms to the language in several other bills enacted by Congress making gifts of surplus Federal property to Indian tribes.

CONVEYANCE OF CERTAIN TRIBAL LAND FROM FOND DU LAC INDIAN RESERVATION, MINN.

The bill (S. 3018) to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn., was announced as next in order.

The PRESIDING OFFICER. There is an identical House bill. Without objection, the Committee on Interior and Insular Affairs will be discharged from the further consideration of the House bill, which is H.R. 10459, and at this time the Senate will proceed to the consideration of that bill.

The bill (H.R. 10459) to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3018 will be indefinitely postponed.

The excerpt from the report (No. 1609) is as follows:

PURPOSE

The purpose of S. 3018 is to permit the Secretary of the Interior, with the concurrence of the Minnesota Chippewa Tribe, to convey 39 acres of tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn., for church and cemetery expansion.

EASTERN CHEROKEE RESERVATION, N.C.

The bill (S. 3224) to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina was announced as next in order.

The PRESIDING OFFICER. There is an identical House bill, H.R. 11057. Without objection, the Senate Committee on Interior and Insular Affairs will be discharged from the further consider-

ation of House bill 11057, and the Senate will proceed to consider the bill.

The bill (H.R. 11057) to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3224 will be indefinitely postponed.

The excerpt from the report (No. 1610) is as follows:

PURPOSE

The purpose of S. 3224, introduced by Senators ERVIN and JORDAN of North Carolina, is to convey in trust to the Eastern Band of Cherokee Indians of North Carolina 22.71 acres of federally owned school land and improvements thereon.

CANCELLATION OF CERTAIN IRRIGATION CHARGES ON WIND RIVER INDIAN IRRIGATION PROJECT, WYOMING

The bill (S. 536) to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes was announced as next in order.

The PRESIDING OFFICER. There is an identical House bill (H.R. 3444). Without objection, the Committee on Interior and Insular Affairs will be discharged from the further consideration of the House bill, and it will be considered at this time.

The bill (H.R. 3444) to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 536 will be indefinitely postponed.

The excerpt from the report (No. 1611) is as follows:

PURPOSE

The purpose of S. 536, introduced by Senators HICKEY and MCGEE, of Wyoming, is to approve an order of the Secretary adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands on the Wind River Indian irrigation project in Wyoming.

AMENDMENT OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate proceeded to consider the joint resolution (S.J. Res. 201) to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, at the beginning of line 6, to strike out "Sec. 316"; in line 7, after the word "section", to strike out

"316 (c)" and insert "(c)"; and on page 2, line 8, after the word "this", to strike out "joint resolution" and insert "subsection"; so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 316 of the Agricultural Adjustment Act of 1938 is amended by adding thereto a new subsection (g) to read:

"(g) Notwithstanding the provisions of subsection (c) relating to the filing of a lease with the county committee, the lease and transfer of an allotment for the 1962 crop year shall be effective if, (1) pursuant to regulations issued by the Secretary, the county committee, with the approval of a representative of the State committee, finds a lease in compliance with the provisions of this section was agreed upon prior to the normal planting time in the county, as determined by the Secretary, or June 15, 1962, whichever is earlier, and (2) the terms of the lease are reduced to writing and filed in the county office in which the farms involved are located within twenty days of the days this subsection becomes law."

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The excerpt from the report (No. 1612) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the joint resolution (S.J. Res. 201) to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed, having considered the same, report thereon with a recommendation that it do pass with amendments.

This joint resolution would extend the time for filing 1962 crop tobacco allotment leases for 20 days following its enactment.

Public Law 87-200 added a new section 316 to the Agricultural Adjustment Act of 1938 permitting the limited leasing of tobacco acreage allotments for each of the 1962 and 1963 crops. Section 316(c) provided that no such lease would be effective unless a copy was filed with the county committee prior to a date fixed by the Secretary of Agriculture not later than normal planting time. In some cases, through mistake or misunderstanding of the new provisions, the copy of the lease was not filed with the county committee within the prescribed time. Unless such mistakes are corrected the tobacco planted pursuant to such leases will be subject to marketing penalties. This resolution would extend the time for reducing such leases to writing and filing them with the county committee until 20 days after its enactment. It would not extend the time for entering into such leases, its only purpose being to correct situations resulting from late filing.

The committee amendments make purely technical corrections, and are not substantive in nature.

FEDERAL AGRICULTURAL SERVICES TO GUAM

The bill (S. 2121) to establish Federal agricultural services to Guam, and for other purposes, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to

establish and maintain an agricultural program in Guam which will include such programs administered by the United States Department of Agriculture, hereinafter referred to as "Department", as are determined by the Secretary will promote the welfare of that island. This authority may be exercised without regard to section 25(b) of the Organic Act of Guam (64 Stat. 390; 48 U.S.C. 1421c(b)), or any other provision of law under which Guam may have been excluded from such programs. The Secretary is authorized to provide for such modification of any such programs extended to Guam as he deems necessary in order to adapt it to the needs of Guam. The program authorized by this section shall be developed in cooperation with the territorial government of Guam and shall be covered by a memorandum of understanding agreed to by the territorial government and the Department. The Secretary may also utilize the agencies, facilities, and employees of the Department, and may cooperate with other public agencies and with private organizations and individuals in Guam and elsewhere: *Provided*, That the number of employees of the United States Department of Agriculture stationed on Guam to carry out the purposes of this Act shall not exceed five at any one time.

Sec. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act. The moneys appropriated in pursuance of this Act shall also be available for the purchase and rental of land, the construction or acquisition of buildings, for the equipment and maintenance of such buildings, and such other expenditures as may be necessary to carry out the purposes of this Act. Sums appropriated in pursuance of this Act shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department, and may be allocated to such agencies of the Department as are concerned with the administration of the program in Guam.

The excerpt from the report (No. 1613) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2121), to establish Federal agricultural services to Guam, and for other purposes, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill authorizes the Secretary of Agriculture to establish an agricultural program for Guam under a memorandum of understanding with the territorial government of Guam. Any program of the Department of Agriculture which will promote the welfare of Guam may be included in the program with any appropriate modification. The primary need is for technical assistance. The number of USDA employees stationed on Guam under the act at any one time would be limited to five.

The bill was requested by the Department of Agriculture and results from a survey made by USDA employees in 1956 and the recommendations in their report made in 1958.

INCREASE IN NUMBER OF COUNTIES UNDER FEDERAL CROP INSURANCE ACT

The bill (S. 2859) to amend the Federal Crop Insurance Act, as amended, in order to increase the number of new counties in which crop insurance may be offered each year was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the fourth sentence of section 508(a) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1508(a)), is amended by striking out "in not to exceed 100 counties", and inserting in lieu thereof "in not to exceed 150 counties".

The excerpt from the report (No. 1614) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2859) to amend the Federal Crop Insurance Act, as amended, in order to increase the number of new counties in which crop insurance may be offered each year, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would permit Federal crop insurance to be offered in 150 additional counties each year. At present expansion is limited to 100 new counties each year.

Crop insurance is offered farmers in selected counties by the Federal Crop Insurance Corporation. This Corporation is wholly Government owned and provides all-risk crop insurance protection against unavoidable causes of loss.

In 1948 the crop insurance program was placed on a limited, experimental basis to gain experience and accumulate actuarial data. This was done by Congress because of the adverse experience the crop insurance program had from 1938 to 1947 when it was on a national basis. During this experimental period (1948-61) expansion to new counties has been limited. In no year during this period did the number of new counties allocated approach the 100-county limitation. The objective was the development of a sound program that could be operated on a national basis.

Although expansion in the last 14 years has been limited, the Department feels that the experience gained during this period is sufficient to justify a more rapid rate of expansion so as to provide more farmers with the protection provided under the all-risk crop insurance program.

MOVEMENT OF DISEASED ANIMALS

The bill (S. 3120) to amend section 6 of the act of May 29, 1884, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of May 29, 1884 (23 Stat. 32), as amended (21 U.S.C. 115), is further amended by changing the period at the end of such section to a colon and inserting immediately thereafter the following: "*Provided*, That such livestock or poultry may be so delivered and received for such transportation and so transported and moved if the Secretary of Agriculture determines that such action will not endanger the livestock or poultry of the United States and authorizes such action, and such delivery, receipt, transportation, and movement are made in strict compliance with such rules and regulations as the Secretary of Agriculture may prescribe to protect the livestock and poultry of the United States."

The excerpt from the report (No. 1615) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3120) to amend section 6 of the act of May 29, 1884, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would permit the interstate movement under adequate safeguards of livestock and poultry affected with a com-

municable disease, if the Secretary of Agriculture determines such action will not endanger the livestock or poultry of the United States. Such action is now prohibited, except for certain diseases.

The Department of Agriculture, in requesting this legislation states that interstate movement is essential to an eradication program; tends to reduce slaughter indemnities as a result of the better salvage values resulting from wider slaughter markets; and allows for the movement of diseased animals to market instead of holding them at stockyards or elsewhere where they may expose other animals and disrupt normal marketing.

EXTENSION OF EXISTING CORPORATE AND EXCISE TAX RATES

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1576, the corporate and excise tax rate extension bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 11879) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. MANSFIELD. Madam President, this measure, which now is the pending business, will not be given further consideration this afternoon, but it is being laid down now for the purpose of notifying the Senate ahead of time as to what the schedule on Monday will be.

In a few moments I intend to make a further announcement regarding the business of the Senate for next week.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Madam President, I shall be grateful to the distinguished majority leader if he will indicate what business he proposes to schedule for the Senate for next week.

Mr. MANSFIELD. Madam President, in reply to the question asked by the distinguished acting minority leader, let me state, both for his information and for the information of the entire Senate, that the leadership anticipates a strong possibility that a health-care bill for older citizens which adheres to the social security principle will be offered as an amendment to pending legislation, toward the end of next week. This bill will, in my opinion, be the product of the combined efforts of Democrats and Republicans who will have worked together with understanding, diligence, and restraint to incorporate the separate approaches which they have heretofore pursued in trying to find a solution to this problem.

Let me say that I shall be delighted if such a bipartisan approach develops. The whole Nation has long recognized that in connection with the cost of health care there exists a serious national problem which weighs most heavily on older people of limited means and on their children. What we have heretofore lacked has not been a sympathetic understanding of this problem; I daresay that all Members of the Senate, who have available, at very little cost, the finest

Government hospital and medical service as part of their job-rights, can appreciate this problem as it affects those who do not have adequate means for adequate hospital care. What we have heretofore lacked has been, not understanding of this problem but, rather, an effective and acceptable legislative approach to this problem as it involves the citizens of the Nation.

There is reason to hope that this approach will now be found. I anticipate that the amendment which is likely to be offered, as I have noted, will safeguard the social security principle, thereby insuring that hospital care will come as a matter of hard-earned right to older citizens, just as do their monthly social security checks, and thus relieve them, with dignity and decency, of a part of the financial worry which now attaches to serious and prolonged illness. At the same time, the amendment may provide further assistance to several million additional citizens who, because they are not presently under social security, would not have been covered by the original King-Anderson approach. This new approach may also provide a significant role for nongovernmental agencies in administering the program and offer consideration to the possibility of multiple plans.

The amendment, which probably will be offered, I am sure, will set forth a sound approach to the critical question of hospital care for older citizens, and will go far toward meeting the objections which heretofore have been expressed. If this can be worked out, it will be a significant legislative achievement which would not have been possible without the understanding, perception, and restraint of the distinguished Senator from New Mexico [Mr. ANDERSON] and other interested Senators on both sides of the aisle.

I hope that the Senate will give this measure, when it is introduced, the most careful consideration and act on it one way or the other. I say that notwithstanding that it would have been preferable as a matter of legislative procedure had the House moved first. But, Mr. President, we have waited and waited for the House to act, and it has not acted. We may feel inclined to wait longer, but illness does not wait. Hospital bills do not wait. I do not know what the House may do in the weeks ahead and I do not wish to prejudice the other body's action. But whatever the House may or may not do, the Senate's duty is clear. It is to face this issue now even as millions of citizens are face to face with the grim realities of the problem. If the Senate wishes to register what I believe is the deep and direct concern of these citizens in this issue—even as the President has already expressed it—then the amendment which I anticipate and hope will be offered next week will provide the opportunity.

Prior to taking up the consideration of the Health and Welfare Act, to which these proposals may well be appended, it is the intention of the leadership to call up, as has already been announced, Calendar No. 1576, House bill 11879, the corporate and excise tax extension bill,

for Monday; and following that, such other acts with a time limitation as the Sugar Act, the act authorizing an increase in the public debt limit, the Renegotiation Act, and any others which may fall in that category.

Mr. KUCHEL. I thank the distinguished Senator. Under the schedule which he has outlined, does he contemplate scheduling late in the week the legislation in which the problem of medical assistance or hospital assistance to the aged would become the relevant issue?

Mr. MANSFIELD. The present intention of the leadership is to take it up the latter part of next week.

Mr. KUCHEL. Does the majority leader intend to schedule a meeting for Saturday one week from today?

Mr. MANSFIELD. My guess at the moment would be "Yes," because the legislation which has a termination date of June 30 is piling up. It will depend in large part on how expeditiously the Senate as a whole faces the challenge of the bills which will be coming up before us this coming week.

Mr. KUCHEL. A number of leaders in my party are scheduled to meet with General Eisenhower in Gettysburg the coming Saturday, and it will pose a problem for them, since it is a long-standing engagement. I simply want the RECORD to show we will be faced with that problem.

May I ask whether the majority leader can give us any enlightenment as to the possibility of evening sessions during the week?

Mr. MANSFIELD. First let me say that it is almost a tradition in the Senate for this body to meet on June 30, because of the importance of that particular date. I realize that it might be inimical to the best interests of Republican leaders if they missed out on a visit to Mr. Eisenhower at Gettysburg; but, if my memory serves me correctly, this morning's papers carried a story to the effect that he had been in Washington last night, and I assume met with the Republican leaders at that time.

Mr. KUCHEL. That is a sound, logical assumption.

Mr. MANSFIELD. Perhaps General Eisenhower, in view of the difficulties which confront his party colleagues in this body, might consider making a return visit to Washington to help take some of the burdens of responsibility off the Members who have such great burdens at this time, and give him some reason to say he was willing to meet with his party people at least halfway. That is the situation as it is developing.

I have forgotten the second part of the question.

Mr. SALTONSTALL. With respect to evenings.

Mr. MANSFIELD. Evening sessions would depend on circumstances. I hope we could complete our business within a reasonable time. The decision is not mine; it is the Senate's collectively.

Mr. KUCHEL. I assume, therefore, the able majority leader intends, at the very least, to consider seriously a Saturday session for 1 week from today.

In addition, I wonder if the Senator will inform the Senate, in this colloquy, what his plan is for the week following next week, when July 4 occurs, on Wednesday.

Mr. MANSFIELD. It is anticipated that we will be on the communications satellite bill when we are through with these temporarily most important measures; and it is anticipated also that, once we get back on that bill, after these matters of immediate concern are disposed of, we will stay on that measure for some time.

So far as the Fourth of July is concerned, there will be no business in the Senate that day, but that is the only day I can think of between now and possibly Labor Day when a day will be had off in the middle of the week.

Mr. KUCHEL. Sundays, of course, not being considered in the statement of the distinguished majority leader?

Mr. MANSFIELD. The Sabbath day occupies a special significance in our history.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. When the Senator refers to public welfare-public assistance, I assume he is referring to Calendar No. 1549, H.R. 10606.

Mr. MANSFIELD. Calendar No. 1549. That is correct.

Mr. SALTONSTALL. Does that have a termination date to it? Is that an emergency measure?

Mr. MANSFIELD. Yes; it has a termination date of June 30.

Mr. KEATING. Madam President, I want to say a word in commendation of my distinguished colleague for the effort being made to arrive at what might be called a bipartisan measure with reference to health care.

I find some objections to the King-Anderson bill in its present form. Perhaps I should say the Anderson-King bill. I think there has been a great lack of appreciation in the general public's eyes of the contribution made by our own colleague. But I do recognize the need, as I think many of us do, for a better, more adequate provision for medical care for our older people; and I believe it is possible to arrive at a measure which will have wide support.

I fear that if anybody gets his back up, and if there is an intransigence on any side, we will not come up with constructive legislation. So I welcome the statement the distinguished Senator has made that an effort will be made to try to reconcile the views that many of us hold who find many good things in the Anderson-King bill, but who feel it needs some modifications. I hope it will be possible to enact some legislation in this vital field.

Mr. MANSFIELD. I deeply appreciate the spirit in which the Senator has uttered those words, because it augurs well for a meeting of the minds and the possibility for the creation of a bipartisan measure which will contain the best elements in the number of proposals which have been made.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. ANDERSON. I appreciate the fine statement of the Senator from New York, and I particularly appreciate the statement he made that he hoped people would not get their backs up. I assure him that I will not get my back up. I am open to suggestions of every kind and character. I do, however, feel that I will not retreat an inch on the question of social security financing, because I think it is an essential part of any legislation we may enact in this field. There can be an expansion made outside the area where people are now covered by social security, but I realize that the Governor of the State so well represented by the distinguished Senator from New York indicated some things he thought were wrong with the King-Anderson measure. Those matters have been and will be closely studied. Before a bill comes up to which an amendment is offered on this subject, we will have full discussion on the part of the minority side, particularly the Senator from New York [Mr. KEATING], the Senator from California [Mr. KUCHEL], and I see the Senator from Massachusetts [Mr. SALTONSTALL] on his feet. A Representative in Congress from his State has issued a statement with reference to the question of medical care which impressed me very much as a sound approach.

All of those things, I hope, will be carefully kept in mind in regard to any amendment to be offered in the Senate.

I assure the Senator that I do not have so much mind but that I cannot change it in regard to things which look to be possible impediments to the passage of the bill. To use one example, the able Governor of New York suggested that the money to finance what we may decide to do should be put into a special fund. I suggested it should be put into a special account. Personally, I do not believe there is much difference between a special account and a special fund. I find there are people who attach great significance to that question. Therefore, I am quite willing to surrender my own views and to accept the views of those who believe it should be a special fund.

In that spirit I hope we can write a good bill.

Mr. KEATING. Madam President, I wish to say that in all my dealings with the Senator from New Mexico [Mr. ANDERSON] I have never found him to be one who "gets his back up." He is always amenable to discussion. I hope very much that the plan outlined will result in fruitful legislation.

Mr. MANSFIELD. Again I state my appreciation for what the distinguished Senator has said.

ADDRESS BY DWIGHT D. EISENHOWER

Mr. KUCHEL. Madam President, in war and in peace, at the White House or at his farm at Gettysburg, as a private citizen Dwight D. Eisenhower speaks as he has always spoken, from a unique background of devoted duty to the American people and to the cause of peace and justice around the globe.

Last night the former President spoke to his fellow Republicans and to the

people of America at a Republican dinner in the Nation's Capital. His address is timely. His words are incisive. They deserve the careful study of my colleagues in the Senate and they will merit study by all the people in the United States. I am most proud to ask that the text of General Eisenhower's address last night be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF GEN. DWIGHT D. EISENHOWER

Fellow Republicans, on occasions of this kind, most of us are accustomed to speakers who use exaggeration and frenzied rhetoric to stir us up against the common political foe. Tonight we have no need for either forensic device. The realities facing our country today are packed with drama, as just a few facts made clear.

Our national economy has become uncertain, fearful, ill at ease.

Stock prices have plummeted by scores of billions, to the consternation of the investing public.

Persistent unemployment, in spite of promises of the late campaign, remains, as in past years, a cancerous problem in many areas.

The Nation's rate of economic growth, so bitterly criticized 2 years ago, falls behind the rate of prior years.

The adverse balance of payments and outflow of gold are still gnawing concerns and, if present policies persist, could grow worse. Federal spending is still pushing rapidly upward. Revenues fall short. Deficits grow larger. Confidence, at home and abroad, weakens.

These are ugly splotches in the beautiful picture of the economic future painted for us in 1960 by confident New Frontiersmen. Today these blemishes can no longer be blinked or ignored.

The end of this is not yet.

Recently we were told that next year the administration will increase spending still more, yet will simultaneously cut taxes. Here is political paradise! It suggests that if only we can get the Government to spend fast enough, we can soon do away with taxes altogether.

Such untoward developments have prompted some to advocate the election of Republicans not primarily because these people believe our leaders and our programs are worthy, but merely because they think we cannot possibly do as badly as the Democrats.

If this purely negative approach should be our only claim to support this year, I, for one—and, I believe, the vast majority of our citizens—would be deeply resentful.

So I trust that Republicans will never succumb to a sterile negativism. Mere resistance and complaint, and criticism of the mess back in Washington, will never be enough. Happily, we have programs that are truly constructive, and a leadership competent to serve the Nation's needs.

These programs make sense. They are not only positive, progressive and responsible; they are also salable. But to sell them we have got to work day and night. We should not spend too much time, manpower and money bewailing the glaring failures of the opposition.

By this I do not mean that there is not room for—indeed, a need for—rational, responsible criticism.

The American people know this. They expect us to criticize. They want us to protest. It is our duty to do so—always vigorously, but always fairly, and always responsibly.

To list all examples of political maladministration, malfunctioning and maladjustment in Washington is here impractical.

cable, but to mention a few will help us understand better how profoundly Republican and Democratic philosophies differ.

Quite obviously, this administration is floundering—thrashing aimlessly and a bit desperately about—in the surging financial, fiscal and economic currents of our times. Its difficulty appears to stem primarily from an inadequate understanding of our American system—of how it really works, of the psychological, motivational and economic factors that make it ebb and flow.

One cannot doubt that the principal figures in official Washington today are academically proficient. As the administration modestly asserts, it is sophisticated. But its actions have started the whole Nation to question its ability to comprehend.

For instance, the Administration seems almost driven to alienate major elements of the business community. Even in its speeches, which are publicly advertised as friendly toward business, menacing language somehow has to appear. Indeed, the official administration posture can be interpreted only as: "Business, get friendly—or else."

Additionally, the administration is publicly disgruntled with the entire medical profession, and has apparently persuaded itself that doctors are against people.

We find newspapers blacklisted for failing to handle news White House style. We hear that reporters are verbally spanked for writing critical passages. The administration even annoys a growing faction within its own party, including many southerners in the Congress.

Now all of us are taken to task by references at Yale a few days ago to myths and incantations. Particularly we were admonished to stop living by clichés. One so singled out was the virtue of the balanced budget. Let us consider this one a moment.

America has always held that it is honest to pay one's bills—dishonest to repudiate them. So we have thought a balanced budget was not simply a basic requirement for sensible government but a hallmark of honesty as well. But now, are we to throw out—as a myth or as a cliché—Ben Franklin's old adage, "Honesty is the best policy?"

Perhaps what is now called sophistication will indeed destroy all hope of a balanced budget. But Republicans will continue to believe that it is bad for America to stop practicing frugality, prudence, and self-discipline.

This use of the word "sophistication" seems to include quite a number of things. Among them, apparently, is a planned economy—that is, the Central Government should undertake to fix prices, determine the appropriate level of profits, control wages directly or indirectly, and otherwise manipulate and guide the economy. Recent events suggest it also means that Government has the right to use the FBI, the Internal Revenue Service, the Defense Department, the Justice Department, as well as the White House, to control labor-management affairs, especially to dictate the economic decisions of management.

Well may we ask: In all such matters is a Federal club of reprisal to be held threateningly over the heads of citizens, ready for instant use, with or without sanction of law? Is the only authority needed for the club's use an Executive assertion that this is in the public interest?

Sophistication of this kind can penetrate into many fields—Iron control by a Federal bureaucracy over every farm decision—the usurping of the responsibilities of the States—spending more and more every year from the National Treasury regardless of fluctuations in the national income. At all events, we know from the Yale address that the full potential of sophistication will be realized when we redesign Federal bookkeeping to make today's dull deficits appear tomorrow as bright surpluses.

One sharp-pencilled New Frontiersman, I am told, recently computed that more than \$18 billion—20 percent of the present Federal budget—ought to be lumped together and charged off as capital investments. In this way the administration could develop a real bookkeeping surplus. But sophistication abruptly halts here as we crash into the obstacle of how to pay for the "written off" \$18 billion. Such a performance strikes me as something less than sophistication—rather it looks like oldtime medicine show skulduggery—now made respectable by top hat and tails.

But let us hurry to a few other things that baffle and amaze the unsophisticated.

We learn that we should give to one man rather than to the Congress the right to cut income taxes and undertake vast public works. We learn that one regulatory agency should be permitted, independently of our courts, to interdict any business activity it finds distasteful. We hear and read much about a ponderous system of medical care, which for some millions of people will provide help that is not needed, for a few million others will give inadequate help, and for still other millions will give no help at all. In the meantime, it would overburden and possibly founder the Social Security System.

Is it, indeed, a yearning for sophistication that impels us to include in our vast space expenditures huge sums for low-priority projects? Estimates for space exploration are already reaching almost four thousand million dollars a year and will shortly reach seven thousand million dollars a year—all this while urgent needs on earth must go unattended and our fiscal affairs are in serious disarray?

Clearly such administration policies and deeds invite our extensive criticism; we shall not neglect this critical function in our free society.

But what contrasting principles and programs do we Republicans offer?

My friends, the principles we follow are profoundly significant to free Americans. They are founded in an unshakable faith in the people of our country. It is this faith that makes us cleave to constitutional government, that leads us to maintain a diffusion of power, to respect the checks and balances on the national level, to work for strong, effective government on lower levels, and always to keep government as close as possible to home and community.

It is likewise our faith in the individual that incites us to be vigilant sentinels of liberty. As such we fight, as against a plague, the whole host of national planning and spending schemes that would destroy the enterprise and individuality of our people.

So our Republican programs are citizen oriented, not state oriented. They reflect our certainty that it is the individual citizen back home, not the far-away bureaucrat, who knows best how to meet the needs of himself and his family.

What, then, are some of the Republican programs that evolve from the principles which I have just stated in general terms? I cite just a few.

As for matters projecting beyond our shores, I simply reaffirm this truth—Republicans will do their part, in recognition of the constitutional responsibilities of our elected President, to maintain the bipartisanship approach in foreign affairs which, with minor lapses on the part of both parties, has prevailed since World War II.

Essentially this approach is one of advancing justice, freedom, peace, and human betterment everywhere in the world. It presumes continuation of our worldwide systems of alliances; our great interlocking defensive measures; the courage to stand firm against Communist bluster and force; and a never-tiring quest for peaceful resolution of the great issues tormenting mankind, leading,

we prayfully hope, to universal disarmament at some future time.

On the military side of our security efforts, we Republicans will continue to work across the political aisle for strength unencumbered by waste, and strength not bloated by hysteria. Here I must record my personal belief that substantial amounts in our current defense budgets reflect unjustified fears, plus a reluctance in some quarters to relinquish outmoded concepts. Accordingly, I personally believe—with, I am sure, very little company in either party—that the defense budget should be substantially reduced. At least, all America understands that every defense dollar wastefully expended, that every defense dollar needlessly appropriated, weakens this Nation. It is always necessary to examine critically these appropriations and to stop assuming that mere spending means increased strength.

Turning to fiscal and economic affairs, we Republicans, here, sharply divide from the opposition.

We are steadfast in our insistence upon balancing the Federal budget in all but emergency periods. Indeed, we see dedication to balanced budgets as one measure of responsibility in political leadership. We reject the New Frontierism that this effort is no longer desirable. I deeply regret the administration's apparent change of heart on this point. It bodes ill for America.

Now as to tax reform, and its counterpart, spending reform, nothing could be more beneficial to America at this moment than a tax bill so designed as to rebuild confidence in the consuming public and among investors—provided always, however, that such legislation is accompanied by a clear reduction in Federal spending. To the Republican Party, it is simply irresponsible to keep spending ourselves ever deeper into debt.

The adverse balance of payments and gold outflow are likewise gravely significant. Here some of our immediate problems are, first, to induce our allies—particularly those which have profited measurably from our help—to do more to help carry the burden of the common defense and foreign assistance; next, to subject our spending programs to the scalpel; next, to generate more exports for America. Unless corrective measures are taken, and swiftly, fiscal calamity must be the eventual consequence. We Republicans are already enlisted in these urgent efforts. Hopefully we await a like determination on the part of the administration.

Concerning education, here we stand for temporary help, according to need, for the building of elementary and secondary classrooms. We are not for using Federal funds for operating costs, not for broadcasting tax dollars nationwide regardless of local effort or necessity, and not for undertaking a permanent Federal responsibility in this construction area. Republicans are behind the concept that whatever is done in education must be meticulously circumscribed to preclude any possibility of Federal control.

In agriculture—we demand that the ground rule be not only economic health but also the return of freedom. We believe that whatever would further constrict the farmer's freedom is headed in the wrong direction, that whatever moves toward restoring his freedom has at least a presumption in its favor.

Thank heaven that viewpoint prevailed yesterday in the House of Representatives. I salute CHARLIE HALLECK and CHARLIE HOEVEN, our other House Republicans, and the band of courageous Democrats who joined with them in defeating the legislative monstrosity that was based upon a ruthless concept of ruling or ruining American agriculture.

As to human welfare, Republican programs are a marriage of head and heart.

This is evidenced by our great expansion between 1953 and 1961 of social security coverage and unemployment insurance, as well as increases in their benefits. We blended these advances with attempts to reduce public assistance payments made unnecessary by the broadened social security coverage. We oppose the dole approach, the paternalistic approach, the shepherd of the people concept, which seem to hold so much appeal for our opponents. We Republicans insist that welfare efforts should strive constantly to build self-reliance, initiative, and self-respect, not destroy them.

We believe that all such must be administered with painstaking care to avoid abuses harmful both to the recipient and the taxpaying public.

Republicans stand for partnership, not Federal monopoly, in many aspects of public affairs—for example, water resource development. We are for effective and diligent but not vindictive enforcement of anti-trust statutes; for labor-management negotiations kept free of Federal domination; for helping the aged meet the crises of catastrophic illness but avoiding compulsory participation in programs of medical care; for giving needed aid to colleges to help them meet exploding enrollments; for continuing civil rights advances with a responsible appreciation of the profound sensitivities with which this area has always been charged.

As to the power-concentrating trends of New Frontier legislation—Republicans are as united in resistance to these as we are united in support of efforts to keep the power of Government properly balanced and diffused. In this posture I believe our party is four square with the American people.

This is why, my friends, it is so important that we work as we have never before worked for increased Republican strength in both Houses of Congress. Our first objective is to win control of the House of Representatives.

It is not to win power for its own sake that we must strive for these gains; neither is it to satisfy anyone's personal ambition. Rather, we are attempting to assure governmental results in harmony with the principles I have outlined.

As for us Republicans, we are simply trying to do for our country, not trying to have it do more and more for us.

If America is to stay free—if our Nation is to stay solvent—if local government is to survive—if the worker and his family are to be able to do for themselves, to acquire more for themselves, and to bequeath to their children an America burgeoning with opportunities—I believe that the first great step is for Republicans to win the congressional elections this fall. A sure-footed and dedicated Republican Congress can help preserve the necessary balance and perspective in Government—even as our forefathers intended.

Now, my friends, one final thought. Recently I read that the word "victory" has been expunged from certain New Frontier dictionaries. Personally I—and I think all Republicans—still like the word.

So starting tonight, let's set out on an unremitting campaign, with all our talents, all our numbers, all our resources, to make certain that victory will be ours—victory in 1962—and then, victory in 1964.

SENATOR FROM KENTUCKY: JOHN SHERMAN COOPER

Mr. PELL. Madam President, the May 1962, edition of Harper's magazine had a most interesting article by Mr. William S. White about the distinguished Senator from Kentucky, JOHN SHERMAN COOPER. I commend both Mr. White upon his accuracy and his warm and excellent style of writing and Senator

COOPER upon his being the fine and rare kind of man who could evoke such praise from such a knowledgeable and longtime observer of our Senate.

I know of the distinguished manner in which the Senator from Kentucky represented us in India where he earned the respect of Prime Minister Nehru and literally millions of Indians. Regarding his work in the Senate, we all have had the honor of gaining firsthand knowledge. It is no understatement to say that his integrity and dedication to what he believes to be right is as solid as the mountains of his native Kentucky.

Madam President, I ask unanimous consent that the article entitled "Public and Personal," by William S. White, be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT MAKES JOHNNY (COOPER) WALK

(By William S. White)

(If any Senate Republican can prevent BARRY GOLDWATER from taking over the party, it may be the quiet gentleman from Kentucky.)

WASHINGTON.—Among the choir of voices within the GOP now competing in a very cacophony of self-criticism over the broad, stoic back of Old Papa Elephant, one of the best voices of all is being little heard and less regarded.

This is the troubled, hesitant baritone of what—to borrow a phrase from the slogan-makers of televisionland—I shall call the thinking man's politician: Senator JOHN SHERMAN COOPER, of Kentucky. COOPER is the damndest fellow in his arduous profession. He is a philosopher in politics. But his bent for high and often moody cerebration, plus his spectacular inability to be a good fellow among the boys, not only fail to repel but in fact enormously attract the voters at home.

When, in 1960, he last went to bat in Kentucky (after some shaky starts at the polls earlier in his Senate career) he returned with the biggest majority ever given by Kentuckians to any candidate for any kind of office. All of the State's presidential landslide records he easily surpassed. Not even the redoubtable and nearly irresistible extrovert, Alben Barkley, the late Veep, of fond memory, had ever done nearly so well as did this classic introvert, JOHN SHERMAN, among the tough people, mountain and urban and blue grass, of the State of Kentucky.

Given the extraordinary circumstance that he literally never lies to anybody—not even in extremis to a random voter or stray pressure group—the question "How does COOPER do it?" positively begs an answer. But I confess at the outset that I will not even try to answer this plaintive query. I did make an early pass or two at it, by talking to friends full of the lore of Kentucky. But they only told me, most earnestly and also rather mystically: "Don't you see, they understand JOHN SHERMAN down in Kentucky?" Somehow, I could not see too well; so leave all that to the experts in Kentuckiana. Let the record simply show that COOPER does do it.

What I will try to show here is what makes Johnny walk—this JOHNNY who is, in every sense, the antithesis of the Sammy who ran so hard in Budd Schulberg's novel. COOPER walks, not runs, even in times such as the present when, profoundly concerned at what he believes to be a vital and possibly mortal struggle for the mind of the Republican Party, he feels deep private urgency and alarm.

In his quiet way he is attempting to provide a rallying point for those parts of the Republican Party—call them liberal or moderate or whatnot—which he fears are being outtalked and possibly outmaneuvered by the gusty virility of what is now called Goldwater Republicanism. Absolutely incapable of screaming in order to make any point, COOPER is also incapable, really, of even talking very loudly to the same purpose.

His calm—and, at the moment also somewhat gloomy—view is that the GOP right and far right are taking the party down not only a politically dangerous road, but also a wrong road. (COOPER, for all his essentially philosophic orientation, speaks words like "right" and "wrong" with the firm simplicity of the mountaineer. This is notwithstanding that he is one of Washington's most sophisticated men and was worldly enough to get along well as Eisenhower's Ambassador to one of the most cynical of all the great powers, Nehru's India.)

Thus he has set himself, from a sense of duty and not of personal pride, as GOLDWATER's most earnest—if not loudest—antagonist within the Senate wing of the Republican Party. He has not gladly entered this combat. For, like practically everybody else known to me, he likes BARRY GOLDWATER and admires both his strong self-assurance on the issues of the day and his high quotient of courage and candor. In a word, there is no hate or hissing dislike between these two contenders. They simply deeply disagree.

HOW MUCH HIS "FAULT"?

There is no need to say which antagonist is receiving greater attention. Nor is it hard to predict which will continue to receive it. For GOLDWATER, as effectively extrovert as Alben Barkley, is a far more natural politician. And in any kind of public meeting—including the Republican National Convention of 1964—he would far outperform COOPER in practical politics.

Moreover, the amazing capacity of JOHN SHERMAN COOPER to influence the voters of Kentucky has not, to date anyhow, been paralleled by COOPER influence in the Senate. Though detached observers of the Senate invariably give him high marks—for integrity, for ability, for courage most of all—he is no powerhouse in that body, nor in its Republican minority. He is in fact a minority man within a minority—and of course knows as much—for reasons that are in some small ways partly his "fault" and are in the larger sense inevitable.

The orthodox Senate Republicans so far give him all of their respect, much of their affection—and very little of their time. Of course, he has hardly a chemical trace of the joiner's blood. Too, his cast of mind is essentially judicious, in a forum where the quality of objective fairness is, so to speak, not universally prized. Again, he shrinks from that self-assertiveness which is so characteristic of Senate successes—outside the southern wing—however blandly it may be covered over. In manner and personal grace he is a southerner, but politically he is a strictly nonsouthern representative of a border State in a party which tends to prefer its southerners to be excessively southern—southern Democrats and its border State people to be far more tractable than JOHN SHERMAN COOPER cares to be.

Beyond all this, however, COOPER's Republicanism is distinctly not the dominant Republicanism of the Senate. Congressional Republicanism for many years has been a breed apart from that national Republicanism which nominates—and sometimes actually elects—Republican candidates for President. Though its great exemplar, Robert A. Taft, is long dead, a certain variation of Taft Republicanism still hold the mind and heart of congressional Republicanism. And it has that hold to an exceptional degree just now precisely because of those curious

ills which beset the Republican elephant and which cause the oddly humble muttering of self-analysis now going on within the party. For, the more pressing and complex its problems may become in a time of Democratic control of the White House, such as this, the more faithfully will orthodox congressional Republicanism cling to the known brand of leadership and familiar symbols of the past.

This may seem pretty psychoanalytical stuff; all the same it is true. COOPER therefore faces an odd conflict. He is convinced that Goldwater Republicanism—which has now to a degree superimposed itself upon Taft Republicanism—is leading the party to disaster in 1964, if not in this congressional election year. He is not a rebel against Taft Republicanism, as such. He is in revolt against a Taft-cum-Goldwater Republicanism which he believes is decent but oversimplified, and, worse yet, not even authentic Republicanism—as he sees it, looking down the long past of his party.

In talking to COOPER, one has understandable difficulty in pinning him down to sharp definitions of what is proper and what is improper Republicanism. Being an intellectually honest man—and politician—he knows that such definitions are very hard to come by, and even harder to expound and defend in detail.

WHAT HE BELIEVES

Still COOPER understands what he is talking about. His conviction is that the true Republican Party was fairly well typified by Lincoln, by Theodore Roosevelt and by Eisenhower. It is and should be more prudent than the Democratic Party but need not therefore be either unimaginative or so enamored of the past—or of balanced budgets, for that matter—as to foreclose the present and mortgage the future. He shudders at past examples of Republican isolationism, believing these to be aberrations which no Lincoln, no Theodore Roosevelt, no Eisenhower, would have tolerated.

He strongly believes that the Republican Party, because it is not bedeviled by Mason-Dixon line trouble, is the natural instrument for promoting civil rights. This view, parenthetically, has helped to isolate him from the orthodox Republicans, both because they are in far less hurry about civil rights than he is and because he has been thrown into close association with such wholly non-Republican Republicans as Senators JAVITS, of New York, and CASE of New Jersey.

He also strongly believes that the Republican Party really does care more about States rights (in what to him is their proper sense) and local responsibility than does the Democratic Party, nationally. Finally, he is convinced that the Republicans are more concerned with fiscal soundness than are the Democrats. To put the thing crudely, he believes that the Republicans ideally can dot it better "it" being the promotion of national interest and international stability—and can do it cheaper.

Therefore, what he is trying to do is to avoid a polarization of the GOP around this double center: (a) The attractively simple but wrong foreign policy ideas of GOLDWATER; and (b) those civil rights and social welfare ideas of many orthodox Republicans that are in practice so close to the conservative southern Democrats' beliefs. He can be described, in a catch-as-catch-can way, as a "liberal" Republican; except that his personal commitment to responsibility far outruns any personal commitment to reform.

COOPER's task is to prevent Goldwater Republicanism from becoming inextricably embedded in Taft Republicanism and so producing a condition of party sterility. How well—and even how—he will perform it he does not pretend to know. In recent months his mail has given him no cause for cheer. He has been at the receiving end of a large

flow of steaming missives from right and far-right Republicans demanding to know why he doesn't get in there and help GOLDWATER save party and country. Some of these even come from rockbound, Cooper-bound Kentucky.

Temperamentally unable even to contemplate undertaking a loud, positive, and purple personal "crusade," he can only go the way he knows. This is the quiet, thoughtful way, preparing a reasoned speech here, raising a low and troubled occasional voice in Senate Republican caucuses and on the Senate floor, calling in unstrident tones upon the shades of Lincoln and Theodore Roosevelt and upon the still corporal image of Eisenhower.

THE M'CARTHY CASE

Whether he is right in his views on all this I do not know, nor much care; the politicians can take care of their politics. One thing anyhow is sure enough: There is more than one kind of success in politics. And one of those kinds, the rare success of esteem, is already firmly in the possession of COOPER, of Kentucky.

This form of success is late in arriving; but, once gained, very slow to depart. And COOPER has been overmatched before this and out-hit in every inning until the last one. He was, for example, one of the earliest of all Senators to perceive the dangers of McCarthyism—and one of the first to do the patient, unheeded work to find a responsible means for dealing with it. Characteristically, he spoke of his objections to McCarthy where they would do the most good, among fellow Republicans whom he was patiently trying to persuade to do their duty—knowing that it was the Senate and not public rallies which must bring McCarthy to book. Characteristically, he told McCarthy's friends of what he was doing before proclaiming his courage and purity to McCarthy's enemies. Characteristically, he took much risk but received little credit. The same has been true of his action on many other delicate and thankless issues, labor reform among them. But he won in the end.

So, when it comes to that, maybe JOHN SHERMAN COOPER, tall, graying, earnest, and hesitant, can take care of himself, if the past is any guide.

FOOD IS PEACE POWER

MR. HUMPHREY. Madam President, we all are aware that one of the most important and one of the most pleasant jobs of a Senator is reading, digesting the material in the newspapers published in our States. This is a way for us to keep abreast of what is happening back home. This gives us an important insight into the feeling of our constituency on matters before the Congress—matters of national and international concern. And this produces on many occasions profound writing which would go unnoticed were we not to examine these newspapers.

I speak now not only of our large metropolitan papers, but also of our many smaller publications which provide an important public service to their communities. An example of the outstanding material which I find so often in our Minnesota press is a letter to the editor of the Becker County Record, which is published in Detroit Lakes, Minn. The letter is from Mr. Frank H. De Groat, a resident of Lake Park, Minn. Mr. De Groat was a delegate to the June 9 American Food for Peace Council regional meeting at the Uni-

versity of Minnesota. I had the pleasure of addressing this meeting.

In his letter, Mr. De Groat contends—as I so often have—that food, not military power, will win our peace.

Mr. De Groat asks how we can influence in Christian love anyone who has an empty stomach or a mother with a starving baby in her arms.

Mr. De Groat believes the Christian peoples of the world have failed to recognize the means God has provided to combat the godless political evil of communism.

The responsibility is yours as an individual—

He writes.

What is your answer?

I said in the Senate on June 14 that the food for peace program has been greatly accelerated, that we are beginning to utilize our abundance in a coordinated attack on hunger and poverty throughout the world. But I also stated—and this needs repeating—that three basic challenges to our generation, and perhaps to many generations to come, are represented by three tragic statistics of human need reported to me by the Library of Congress.

First, 83 percent of the world's people are underfed.

Second, 70 percent of the world's people are either sick or ill housed.

Third, 62 percent of the world's people are illiterate.

These figures are no less than tragic. Eighty-three percent of the world's people are underfed. Eighty-three percent—more than four-fifths of the human beings on this earth. And here we are with more food than we can use. We do not have a farm problem. We never have had a farm problem, except in those days when we have not had enough to feed our own people.

No, we do not have the problem. We have the solution. We have the solution to the problem of hunger, the solution to the problem of sickness, the solution to the problem of illiteracy—and, I might add, the program for peace.

Mr. De Groat writes that "today we may draw uneasy consolation from the knowledge that nowhere are conditions as bad as those described two decades ago. But mass hunger is still with us. Progress against this ancient enemy of mankind has not kept pace with the march of technology."

Madam President, I ask unanimous consent that Mr. De Groat's letter be printed in the RECORD. I hope it will be widely read and provoke serious thought as to how we can make this a better world for everyone through continued and expanded use of our most potent weapon—food.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DE GROAT REPORTS ON FOOD FOR PEACE MEETING

To the Editor:

Covering the 1943 famine in China's west Honan Province, Time magazine correspondent Theodore White wrote:

"My notes tell me that I am reporting only what I saw or verified; yet even to me it seems

unreal: dogs eating human bodies by the road, peasants seeking dead human flesh under the cover of darkness, endless deserted villages, beggars swarming at every city gate, babies abandoned to die on every highway. Nobody knows or cares how many refugees die. * * * Of Honan's 34 million we estimated that there have been 3 million refugees. In addition, 5 million will have died by the time the new harvest is gathered."

In that same year, nearly 20 years ago, famine struck the Bengal Province of India. No one knows how many Indians died of starvation; the estimates range from 1 to 3 million. An acquaintance of mine who was there at the time tells of "The constant rumble of trucks piled high with human bodies bound for mass graves at the edge of Calcutta."

Today we may draw uneasy consolation from the knowledge that nowhere are conditions as bad as those described two decades ago. But mass hunger is still with us. Progress against this ancient enemy of mankind has not kept pace with the march of technology.

I just returned from the world food for peace district meeting, sponsored by Governor Andersen of Minnesota. I have long been interested in this program so I appreciated very much having the invitation to be a delegate from this area to the world food-for-peace conference in the Midwest.

This is one of the most interesting conferences that I have ever attended and I have been to a variety of organization conferences.

We had two very good panel discussions, with active participation from the audience. Questions were asked that involved transportation of the relief foods, and distribution costs which to many people are not feasible, or are just not acceptable to the taxpayer of the world, especially the United States.

There were many very prominent people present, and I had the opportunity to meet them all and ask questions and discuss them. Senator HUBERT HUMPHREY gave the keynote address. I say I had to agree with him almost wholeheartedly, for the distribution of our feed grains, and also our cereal crops is a very vital food that we have in our possession that we have neglected to use for the cause of freedom.

I have often said that our supply was created by under consumption in a world where 70 to 80 percent of the world's people are starving or are under nourished. We are a Christian Nation, we often confess that all men should be treated equally and have equal opportunities; this I believe. Did you ever try telling this to a man that has never in his life had a good well-balanced meal, one who has never in his life gone to sleep at night without the feeling of hunger? As long as we continue to live in luxury by eating our \$5 steaks and giving a generous portion to the dog, but leave this man and his family hungry, we will never be able to make him believe that our way of life is the way that God intended man to live.

How can you influence anyone in Christian love who has an empty stomach or a mother with a starving baby in her arms? This is a question that I cannot find an answer to. Did Stalin have the answer when he said to the starving people, "when you were hungry who fed you; was it your God?" No, it was the United Society of the Soviet Republics, that gave you the food that saved your children from starvation. They don't have a surplus of food in Russia, and they never have had to my knowledge.

What is the answer that you would give if you were obligated to make this decision; go without eating tomorrow, or keep your family from eating one day? Then what would your answer be?

We ask whether we should make food available to the people behind the Iron Curtain. When we say I am my brother's keeper does it mean that he must belong to the same political party, or do we mean all men wherever they may be; the latter is what I like to believe.

We fly the torch of freedom throughout the world, freedom from want, yet over half of the world's people are hungry.

Our newspaper headlines glow to the world, "Commodity Credit Corporation Holds \$8 Billion Worth of Farm Surplus"; this is feed and cereal grain that we do not need. It is costing the taxpayer \$1 million a day for storage. The Department of Agriculture must seek means of reducing the supply to relieve the burden on the taxpayer. We can spend \$50 million to take one shot at the moon, and I don't know what we are going to do after we get there, but we must keep up with the Joneses in spite of the cost. Who is going to have control of the world, the man in the moon or the people of the world? What would you say if you lived in a nation of starving people and heard this story? I would prefer that we believe that love is the only true way to a world of peace. We can do this with what we have in food.

Let us spend some of the millions we are spending for grain storage, some of the millions we are spending for space exploration; let us tighten our belts and get back to earth and live with the people on earth; let us show the world that we believe in the brotherhood of man, let us not only have it as a banner to hide behind, while we spend millions to create a way to destroy mankind.

Many hours I have spent in meditation on this problem. I conclude that our ability to produce—also land—has been provided for us by God's creation. I also believe that we have especially been selected to provide for the needy of the world, for certainly there is no area in the world that could be provided with more means of sustaining Christianity with love and compassion than we have around us here in the Midwest.

I believe that food will win our peace, not our military power. I believe the Christian peoples of the world have failed to recognize the means God has provided to combat the godless political evil of communism.

The responsibility is yours as an individual, what is your answer?

Sincerely yours,

FRANK H. DE GROAT.

DETROIT LAKES.

Mr. HUMPHREY. Madam President, I call to the attention of the Senate an article by Mr. James Reston entitled, "The Big Economic Debate Never Came Off" which appeared in the June 21 issue of the New York Times.

The article calls attention to the fact that the careful discussion of national economic policy called for by the President in his recent speech at Yale is not taking place. Mr. Reston also calls attention to the fact that neither the Congress nor the press in this country has fully or seriously debated the economic problems of our Nation with sufficient thoughtfulness, seriousness or candor. I agree with Mr. Reston that more discussion should be engendered at the local level and I think his suggestion of a series of pamphlets to be made available to all existing social, service, educational and religious organizations is an excellent one.

Madam President, I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE BIG ECONOMIC DEBATE THAT NEVER CAME OFF

(By James Reston)

WASHINGTON, June 21.—President Kennedy has called for a "sober, dispassionate and careful discussion" of national economic policy, but it is not taking place.

Instead, since his Yale speech, much of the discussion has been passionate, partisan and ideological, which is precisely the opposite of what he intended.

Part of the reason for this is that, while the President called for a separation of economic myth from reality, and of false problems from real problems, he prejudged the issue by implying in the same speech that he was the realist and his opponents the myth-makers.

This produced the inevitable reaction: his opponents immediately asserted that they were grounding their arguments in reality whereas the President was merely dredging up all the old liberal myths of the thirties and tacking on the biggest myth of all, that maybe deficits were good for us.

CONGRESSIONAL DOG FIGHTS

Probably the main reason why we are choosing up sides rather than discussing problems on their merits, however, is that the country is poorly organized for dispassionate debate.

It is a great place for a dog fight or an argument, or a series of anecdotes about Roger Blough, or Arthur Schlesinger, Jr., (who is supposed to be dragging President Kennedy into domestic socialism, but who really has almost nothing to do with national economic policy), but it is not geared for patient analysis of complicated issues which do not conform to the usual political and economic baloney.

The Congress, for example, does not debate economic policy in its widest terms. It merely argues politically on small segments of economic policy, depending on the bill of the moment. Under the parliamentary system of government, Kennedy's speech would not have been made at a university commencement, but at the opening of a 3- or 4-day discussion in which Kennedy's five main economic questions would have been carefully dissected and analyzed.

Such a debate illuminates the problems before the Nation. The best brains on both sides of the aisle talk to the central point, and at the end the opposition's questions have to be answered by the leaders of the administration.

This seldom happens in the Congress, though our system is flexible enough to permit a version of such a debate to happen. Instead, the problem is dismembered and envenomed by personal charges of bad faith and ideological bias, and the country never gets a chance to bring the larger questions into focus.

Many Members of Congress are conscious of this problem, and sometimes in the committees of the two Houses a serious and searching debate takes place, but more often than not this does not command the attention of the Nation. And this is the second problem.

President Kennedy's speech at Yale, for example, was printed in full by very few newspapers in the country. They all summarized it, of course, but it came out as a conflict between myths and reality, enlivened by some fun about a Harvard man at Yale.

Accordingly, the call for a debate on economic growth, new competition from abroad, automation and the growing labor market, inflation and deflation, prices and wages has somehow slipped away into a partisan and

ideological argument, involving a great many people who haven't yet read what the President said.

AN OBVIOUS LESSON

The lesson of this is obvious enough. The future economy of the country, which affects everybody, is too serious to be left to commencement speeches and disorganized arguments in Congress and truncated newspaper reports and the articulate spokesmen of vested political and commercial interests.

The issues have to be laid out before the whole Nation in a way to command the attention of a much wider audience. The President and the Joint Economic Committee of the Congress can do more than they have to bring this about.

Beyond this, there is still a need for more orderly discussion at the local level. The people of the country are interested. The trouble is that they have difficulty in getting clearly and concisely (1) a statement of the facts, (2) a definition of the central questions, (3) a summary of the main courses of action proposed, conservative and liberal.

If these things could be brought together in a series of pamphlets and made available to all existing social, service, educational and religious organizations, there is little doubt that study groups within each organization would soon produce a wider and more positive national debate.

As things now stand, the voter is confused by a babel of partisan arguments, misleading summaries and mystifying clarifications. What is at issue is the test of whether a democracy can reach a consensus on highly complicated modern economic questions, and the thing will not be done until a more orderly and objective procedure is devised for getting and discussing the facts.

POWER, NOT ECONOMICS

MR. HUMPHREY. Madam President, I call to the attention of the Senate an article by Mr. Bernard D. Nossiter entitled, "The Business Feud: Power, Not Economics, at Issue," which appeared in the June 16 issue of the Washington Post.

As the title suggests, it is Mr. Nossiter's opinion that the hostility shown by certain business leaders toward the administration has no economic basis since the economic policies of the administration have generally been favorable to business. It is Mr. Nossiter's further opinion that certain business leaders are engaging in a power struggle with the White House. The reason for this, he says, is that their power to manage is being diminished.

I agree with Mr. Nossiter that much of the problem stems from technological change which necessarily affects the corporate status in our society. Certainly no one would deny the right of modern society to demand full employment, and to achieve this the Government must necessarily exercise some of the things which in a less complex society might be left to the private sector. I submit that the business leaders insisting on this struggle are performing a grave disservice to 190 million Americans and are taking the chance of affecting the economy of the whole world. I should like to point out that the strength of the business community is obtained from the overall strength of the country and that ceasing this struggle would serve the national interest, and, in the longrun, re-

sult in greater benefits to business in general.

Madam President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUSINESS FEUD: POWER, NOT ECONOMICS, AT ISSUE

(By Bernard D. Nossiter)

The hostility of business leaders toward the Kennedy administration is creating a mood like that of the New Deal days.

In Wall Street, the crude stories circulating about the President reflect an animus that economic observers can't reconcile with Mr. Kennedy's conservative programs.

This is a paradox of a high order. Nearly every fresh announcement from the White House enunciates a policy rooted in orthodoxy and each evokes a louder outcry from business, particularly when the stock market slides.

QUARREL OVER POWER

The contradiction between action and response suggests that the quarrel is not over economics but power. The business community, with some justification, appears to believe that its power to manage is slowly being diminished.

When the import of Archibald Cox's Harvard speech of Wednesday sinks in, the cries should reach a greater crescendo even though the President stepped away from the speech on Thursday. The Solicitor General suggested that the trouble with the steel crisis was not that the President acted, but that there was no prescribed procedure for asserting the public interest in wage and price decisions. He was suggesting that the administration's actions had too much of an ad hoc flavor instead of being institutionalized.

For skeptics who doubt Mr. Kennedy's credentials as a conservative, it might be well to recall the actions—as distinguished from the words—of the New Frontier's first 17 months.

PROPPED INTEREST RATES

On entering office, the administration devoted its major energies to the orthodox task of checking the gold outflow, and embarked on policies to raise short-term interest rates. It did this at a time when the Nation was at the bottom of a slump, a situation that generally calls for lowering all interest rates. Expenditures were, indeed, increased, but the lion's share did not go for welfare programs but for military outlays.

The first complete Kennedy budget was designed to yield a \$4.4 billion surplus, not a deficit, in the product and income account, the measure most meaningful for the economy. (This mildly restraining budget is probably "too conservative," as Budget Director David Bell suggested earlier this week and may be helping to restrain the business advance.)

The President's principal innovation in economic technique was the elaboration of wage-price guides. They were deliberately spelled out in much greater detail for wages than for prices.

SEEKS TAX CUTS

In agreeing with the business-supported Committee for Economic Development that the spending tax balance bears too heavily on the economy, Mr. Kennedy rejected the advice of John Kenneth Galbraith and others who believe that the public sector is starved. Instead, he proposes to do what business wants: relaxing the fiscal brake by cutting taxes rather than increasing spending.

Among his specific proposals, the most striking are a cut of more than \$1 billion

in business taxes to spur investment and authority to break down tariff barriers raised against business sales overseas.

Nevertheless, the attitude of business leaders would indicate that they think the administration is threatening their prerogatives.

A current explanation holds that the steel crisis demonstrated this concern with power. If United States Steel had simply wanted more money it could have gotten more than the equivalent of a \$6-a-ton price increase by nibbling away, by taking turns with other companies in raising the price of a product here, lifting an extra charge there and spreading the whole process out over a long period of time. Administration aids acknowledge they would have been powerless against this familiar technique.

But Chairman Roger M. Blough and his directors, drawn from elite corporations, opted for a price increase in the most provocative possible fashion. Clearly, as the explanation goes, they were testing power, attempting to assert supremacy.

The power issue was also dramatized recently by a group of 75 responsible businessmen who met in Chicago to discuss the trade bill. Many of them had an economic interest in lower tariffs and sales abroad. But they all came out against the measure because they themselves said that they are hostile to an increase in Presidential power.

Such hostility has its roots in the rapid technological changes generated by the Second World War, changes that are reshaping economic and political institutions around the world. Even a stable and largely successful society like that of the United States can't be immune to these changes. Corporate power is inevitably affected by them, and the business leaders are acting as if they suspect as much.

UNEMPLOYMENT CREATES SHIFT

Modern societies insist on full employment. This means much greater use of the Government's fiscal powers and consequently a diminution of corporate power.

In an open trading world, with the United States supplying that world's reserve currency, wage and price decisions can no longer be left entirely in private hands. This too means an infringement on business power.

More and more, national needs are entering into investment decisions, where investments will be made and what form they will take. This too shrinks business power.

In time, the affronted business leaders are likely to remember that they can and do exert enormous influence on Government, that Government is neither the instrument of the ruling class (as rigid Marxists would have it) nor the enemy of the corporate elite.

But change is always painful, particularly for those who benefit most from things as they are. It is this pain in the private power centers that is apparently producing the cries.

CHINESE REFUGEES

MR. HUMPHREY. Madam President, many Members of the Senate have an interest in the Chinese refugee situation and the immigration problem that bears so heavily on Hong Kong. Recently I obtained a copy of the statement of the Colonial Secretary of the Hong Kong Government, Mr. Claude Burgess, concerning the so-called refugee problem. This statement was referred to in a recent press conference by President Kennedy.

The statement of Mr. Burgess reminds us that the Hong Kong Government has pursued a policy that all entrants into the Colony of Hong Kong are treated as

immigrants and not refugees. In other words, those who have come to Hong Kong have been integrated into the life of the colony and have been granted equal status with the original inhabitants.

Mr. Burgess outlines in some detail the broad program of public works, including housing, schools, hospitals, roads, community centers, and other basic community facilities which have been established by the Government of Hong Kong in order to accommodate the tremendous growth of population—most of which is due to the flow of immigrants or refugees.

It is very difficult to obtain by a quick reading of press dispatches the full story of what has happened in Hong Kong in the years since 1945 and what has happened in recent weeks. It is even more difficult to obtain from the news media all that has been done to cope with these developments.

The statement of Mr. Claude Burgess, Colonial Secretary of the Hong Kong Government to the regional council concerning the crown colony policy on immigration from China should be read and studied by all who have expressed interest and concern over recent developments pertaining to Chinese refugees.

I ask unanimous consent that the full text of the statement of Mr. Burgess on the date of June 13, 1962, entitled "Hong Kong—Government Policy Statement on Immigration From China and Offers of Help From Overseas" be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HONG KONG—GOVERNMENT POLICY STATEMENT ON IMMIGRATION FROM CHINA AND OFFERS OF HELP FROM OVERSEAS

Mr. Claude Burgess, colonial secretary, today, June 13, outlined to Hong Kong's legislative council the crown colony's policy on immigration from China and recent offers of help from overseas. He was replying to a question by Mr. C. Y. Kwan, Chinese unofficial member of the council, who asked "In recent weeks Hong Kong's immigration problem has given rise to many and varied offers of help, particularly from overseas. What is Government's policy in this matter?"

Mr. Burgess replied:

"This question touches on matters of major policy and I will reply at some length. The honorable member referred to the problem of immigration. I think that I must first make it clear that, so far as Hong Kong is concerned, this is not a new problem, but a problem which the people of this colony have been living with for the last 12 years. What is new in the situation (and this is attested by many well-qualified observers who have visited the colony or written about it in the last few weeks) is that the problem is newly apparent to the conscience of the outside world. The events of the past 2 months have opened the eyes of the world to Hong Kong's predicament (and to a less extent its achievement) in a way that the World Refugee Year, for all its high inspiration and generous response, failed to do.

"The present situation can be analyzed only in relation to the facts and achievements of the last 12 years. As to facts, these are clearly set out in a concise booklet called 'A Problem of People,' first published in 1957 and brought up to date in 1960. This is still the classic account of the na-

ture of the problem and the way in which we met it and are still meeting it. A very large number of copies of this booklet have been sold or issued free and copies are still readily available in Hong Kong. As to our achievements in this sphere, details of these have been reported to this council from time to time and I do not wish to burden members with a repetition of detailed figures on this occasion.

"As I said in this council nearly 2 months ago we expect that in 5 years time nearly one-third of our present population will live in houses built from public funds. One-third of the population is about 1 million people. One million people is approximately the number of our immigrants in the last 12 years. Surely figures of this kind can never have been equalled by any national unit in the world. To be more specific—575,000 people now live in houses that this Government has financed directly or indirectly, the great majority in multistory resettlement blocks each capable of housing more than 2,000 people. We have built 200 of these blocks since 1955 and they are now going up at the rate of 1 multistory block every 9 days. Our pace and record in the educational field is no less dramatic. Government alone has built or subsidized 180 full-sized schools of all kinds since 1955. Nowadays a new Government school or Government-subsidized school opens in Hong Kong every 10 days. If privately owned schools are included, we get the astonishing figure of one new school every 4 days.

"Over the last decade our annual revenue has averaged Hong Kong dollars 595m. (U.S. \$104,125,000). During those years our capital expenditure on Government and subsidized housing has been Hong Kong dollars 475m. (U.S. \$83,125,000). On water supplies Hong Kong dollars 356m. (U.S. \$62,300,000) on education H.K. dollars 131m. (U.S. \$22,925,000) on medical/health services H.K. dollars 134m. (U.S. \$23,450,000). These figures are I repeat all capital expenditure. In Hong Kong we reckon that in any given year it costs between one-half and one-third of capital costs to keep any medical, educational, or social welfare institution in efficient operation. These costs (all recurrent costs and all but a very small fraction of capital costs) have been met from our own resources; and we have been able to do all this, remarkably, without laying any burden of public debt upon our children. The pace is also typically our own and there is no question but that it is being maintained or improved upon. The job is of course not yet finished; and since we are entirely dependent on external trade for our livelihood, it is not possible for Hong Kong itself to say whether it ever will be finished; but I think both pace and achievement hitherto might well be sufficient to deter anyone who felt inclined to criticize Hong Kong for lack of efficient and effective humanitarianism. We have been faced with a certain situation and I do not think anyone in this chamber would wish to claim credit for what has been done. Indeed I give these details only to illustrate the sort of thing that happens when a country takes in one immigrant for every two of its population.

"The fundamental point in our policy hitherto is that Government has never distinguished in any way between immigrant population and population which has its roots here. All have the same rights and the same opportunities. Once an immigrant has been admitted he will take his turn for our resettlement housing if he needs it; and our schools, our clinics and our hospitals are available to him on precisely the same terms as apply to people who were here before he came.

"When we decided some 7 years ago (I say 'we decided' because it soon became very clear there was no practical solution in emigration and the problem was ours alone to

decide upon) when we decided to integrate every immigrant into our community we were in effect making a decision that put the word 'refugee' out of our dictionary. Refugees live in camps; they do not normally earn their keep; by definition they believe that home is somewhere other than where they are now; their well-being depends on someone else's charity; perhaps they do not expect rice or bread to come to them from the conscience of humanity but it comes nevertheless; and it brings with it the humiliation of the zoo—at any rate the bars are there, the food passes through the bars, and somewhere else is home.

"This we would not have. The new people became our people; and our people stepped aside to give them equal access to all the jobs and houses and schools and clinics that the enterprise of our economy could provide. Every time a Hong Kong-born man stands in a queue for a clinic, enters his name for a subsidized flat or waits for a school place, he tacitly endorses that policy. Since in consequence the real burden was borne by the man whose roots were here, we have always insisted that he, too, must share in any gifts that a charitable world bestowed on us. We always made this clear. Money and food and clothing; projects like schools and community centers; technical assistance of various kinds were offered for refugees. In each technical assistance case and on every occasion we said that the help was welcome but that the terms were impossible—not only did we not know who the refugees were but it was against our policy to distinguish between different elements of the population on such a basis. We had poor and deprived and handicapped people who could be identified but we could not and would not identify refugees in our community.

"I venture to think that public opinion overseas has found and still finds this position very difficult to understand. And we for our part have not found it easy to explain. Sometimes offers are received of generous quantities of surplus foodstuffs of a particular kind, used clothing, or money tied to projects which have more relation perhaps to sentiments in the giving countries than to carefully planned programs in the receiving country. In such circumstances it is very difficult to explain, not only that charity of this kind in fact does very little to assist us in achieving our specific aim, but that it may, in certain circumstances, actually impede us in our progress toward that aim. Let me hasten to add that I have never been one to look a gift horse in the mouth. But I have been deeply touched by the understanding attitude shown by many Governments and voluntary agencies during these past weeks and by their quiet and tactful inquiries as to whether they could help. This Government has never asked for aid and does not do so now, but if a generous world wishes to help us we have a duty to respond and from expert knowledge of our own problems give a clear lead and indicate the fields in which we believe benevolence and charity can usefully be deployed in order to bring lasting benefit to our population—and also indicate the fields in which we believe it would be misspent, illusory or merely ephemeral significance. The question gives me opportunity to do precisely this.

"One of the ways in which it has been proposed, though not by us, that our burdens should be lightened is by emigration. This Government does not believe that in the circumstances of Hong Kong emigration schemes can make any significant contribution toward solving the colony's basic problem of excess population. The potential is so vast that we don't think it realistic to entertain hopes of a solution along such lines. Moreover, in matters of this kind the wishes of the people concerned are para-

mount. There is clear evidence that the aim of most immigrants is to join their families, clansmen and people of their own race, language, and dialect in Hong Kong, and that they do not in many cases desire to go further afield. Our experience of emigration schemes shows that they are invariably, in some way or other, selective. Both these considerations imply that in any major emigration scheme there would inevitably be a residue for retention in Hong Kong—a residue which both in numbers and in kind Hong Kong could not absorb. That is not to say that this Government is opposed to emigration as such—far from it. People who want to leave and have anywhere to go, are of course free to depart whenever they wish. Ample transport exists, and many individuals would no doubt have joined relations and friends already in other countries but for severe restrictions imposed on the entry of Chinese from Hong Kong. We welcome such relaxation as has recently occurred in the United States and Canada, and acknowledge the generous motives of these Governments. This holds out to some individuals the prospects of a new life elsewhere—in some cases reunited with their families. Emigration of this sort involves no new principle and can be handled through channels and by procedures already in existence; it requires no intervention by this Government. However, let me emphasize that, though we welcome these developments, we welcome them because of the benefit they may bring to individuals (I repeat, individuals), rather than because we believe they can contribute anything tangible to the basic problems of Hong Kong. We are skeptical of emigration schemes purporting to offer the prospect of large scale relief; they do not conform with the realities of the situation, and this Government is not prepared to divert to them financial or administrative resources, nor does it wish to encourage others to do so. We urge that these should be devoted to meeting the problem of population in the only place in which I believe it is realistic to suppose it will or can be met—in Hong Kong itself.

"Another way in which people have shown themselves willing to help is by sending us aid in kind. This is natural. In some parts of the world there is a surplus of food and it is understandable that those who live there should wish to help the needy in Hong Kong from their own abundance. But, thank God, a shortage of food or clothing has not been a basic problem in Hong Kong. Food programs of certain special kinds and related to certain special circumstances have been of great assistance to us; they have helped people in transitional periods and in the cases of real hardship that exist; but present programs, notably that mounted by the U.S. Government, suffice for those purposes. Generally speaking the burden placed upon us by the immigrant population is not eased by the concept that relief can in any way mitigate the basic needs of active men. 'Relief mentality' is insidious and breeds a special form of economic servitude. The basic need of every man is economic freedom and viability, and that is precisely what we aim to provide for every member of our huge community.

"Nothing could wreck both our plans and our achievements more rapidly or certainly than a further flood of immigrants. I explained the reasons for this in reply to a question in this council on April 18. We have accepted our heavy burden and are willing to bear it, but we cannot allow that burden to be intolerably increased, and we must be allowed to pursue our policy of containment in the immigration sphere. If the conscience of the world is stirred by the needs of people who are affected by that policy, then it would seem that the needs of those people can only be met elsewhere than in Hong Kong.

"Much of the foregoing is negative. We refuse to identify or segregate any element of the population as refugee; our problems are not such as can be solved by emigration; we have at present no additional need for relief in kind; and our policy of containing illegal immigration must continue. On the other hand, perhaps for the first time, the public and governments of friendly countries are stirred by our problems, and I am glad to take the opportunity of this question to indicate not only where assistance is not needed but where it is needed.

"Not from choice but from necessity we are a manufacturing and commercial community. Our only real asset is the industriousness, efficiency and strong instinct for survival of our people. Hong Kong's rapid industrialization is the key solution to its problem of people. Indeed, the prosperity of Hong Kong's industry provides the reason why the world does not have an additional million refugees on its conscience at this moment; and its continuing prosperity provides the best hope, perhaps the only hope that the needs of our expanding population can be met in a constructive and efficient way. As this Council is well aware we have recently had to accept certain serious restrictions on our external trade. The grim possibility of still further restrictions lies ahead. The first way in which the outside world can help this colony with its burdens is to assure reasonable access to overseas markets for the limited range of goods we can produce efficiently. This Government can see no better way in which effective help, in a form in which it is most needed, can be given to people about whose future the outside world has shown so much concern. These people's welfare depends upon our trade and, if our trade can be maintained with adequate scope for growth and without artificial restriction, there is every chance that we can complete a task we first set ourselves 12 years ago. But the stifling of our exports would, sooner rather than later, transform this dynamic community into an international pauper and would thus create conditions in which massive and wholesale relief would be the only remedy.

"Secondly we have limitless need of assistance in our construction program. Hitherto it has been the Hong Kong taxpayer with occasional but marginal assistance from friendly governments or charitable and voluntary agencies who has borne the cost of all the vast infrastructure that is needed to support new immigrants and our excess population generally, and I refer particularly to water supply, roads, housing, hospitals, clinics, community centers and primary and secondary schools. A very valuable contribution would be to pay for any item or items on our construction list. If any governments are interested, I invite them to get in touch with us direct through official channels and this Government will gratefully explain the range of items on which financial assistance would be welcome. An interdepartmental committee is being constituted immediately in order to deal with any such offers of assistance received from abroad, and also give guidance to voluntary agencies already operating here who may seek advice as to the fields in which they can most usefully contribute either service, expertise or money.

"A situation of this kind inevitably calls to mind the classic words of Sir Winston Churchill: 'Give us the tools and we will finish the job.' For us in Hong Kong today, the necessary tools are the opportunity to trade freely, a reasonable access to world markets, and a vigorous capital program. Given these, we too will finish the job."

CROP DISASTER IN MINNESOTA

Mr. HUMPHREY. Madam President, throughout northwestern Minnesota,

along the great Red River Valley, one of the most fertile areas in the country, a crop disaster of major proportions is taking place. At least 17 counties are affected—some of them to the extent of 95 to 100 percent crop loss—due to extraordinary rains commencing on May 1 and continuing until the present date.

The prospects for getting planting in any later than this week are extremely poor; and the shortages of hay, feed, and credit are being compounded by the fact that the ground is so wet over thousands of square miles that it will be necessary to take emergency steps this summer to keep this land in any kind of shape for crop production in 1963.

The following counties have already been declared disaster areas by the Secretary of Agriculture: Kittson, Marshall, Pennington, Red Lake, Clearwater, Norman, and Polk, and it is anticipated that up to 10 additional counties may be requesting disaster status.

I understand, from my office, that additional counties of Minnesota have been declared to be disaster areas as of today.

To illustrate the situation, I ask unanimous consent to have printed in the RECORD letters from Mr. C. J. Flick, of Warroad, Minn., and Mr. Everett Helms, of Roosevelt, Minn., reporting detailed surveys of two of our counties—Lake of the Woods and Roseau. The reports in these two letters are very typical of reports which my staff found on a recent survey of 21 counties in northwestern Minnesota.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ROSEAU COUNTY FARMERS UNION,
Warroad, Minn., June 13, 1962.

Mr. "CY" CARPENTER,
Thief River Falls, Minn.

DEAR "CY": I have tried to pick out about what I would call average farmers and contacted each and these are the results. Not very good are they?

I drove west on No. 11, to Roseau County road No. 13 and on to Roseau County No. 12, then home. This is about what you would call the average country. This jaunt went across Moranville, Lake, Enstrom, and Cederbend Townships.

Alfred Nessa's wife was telling my wife that they didn't have a thing seeded. This is true of possibly half of the Roseau County farmers.

Cliff Hamlin or Ernest Brandli, I'd call them pretty fair farmers, and Everett Battles was telling me last night that neither of them had any seeding done at all.

Even today the picture doesn't look very promising, but it might look somewhat better in a day or two.

I am enclosing a clipping from the Warroad Pioneer and you can see for yourself what a small town editor thinks. He has a plane and he flew over the entire area.

Trusting that I have been of some use to you, I remain,

Sincerely yours,

C. J. FLICK.

HEAVY RAINS DIM HOPES OF CROP SEEDING IN THIS AREA

More rainfall during the past week has dimmed what little hope there had been for seeding of crops in the Warroad area. Two inches and more over this area added to what had fallen earlier has made most fields too wet to work, with water standing everywhere.

Dry as the soil was after the drought of last summer, most of the heavy snowfall melted into the soil this spring. When the rains started, the soil rapidly filled, and for the past several weeks ditches and creeks have been running full and over their banks. The Warroad River is out of its banks throughout the countryside and is over country roads in places.

Only a very small percentage of area crops were planted this spring, and farmers say that some seed that was planted just rotted in the ground due to continual wetness.

ROOSEVELT, MINN., June 13, 1962.

"Cy" CARPENTER,
Field Representative,
Farmers Union Comm. Co.

DEAR "Cy": I now have some firm figures on the extent of the seeding here in Lake of the Woods County. Starting with our own and our community which seems to have been somewhat less unfortunate:

	Percent
Helmstetter.....	25
Ravndal.....	5
Tveit.....	25
Bergan, Dale.....	5
Bergan, Albert.....	10
Gillie.....	5
Mason.....	10
Davis.....	10
Slick.....	5
Oberg.....	0
Clementson.....	25
Gillie, Fred.....	5

These are all serious farm operations and are picked from throughout the county. I'm sure the overall average could not exceed 10 percent and some damage has occurred to that also. Some of the planting was done under unsatisfactory conditions (mudded in) and much of it was later than normal so the potential from that which is seeded is substantially less than would normally be expected. The foundation seed potato industry here in this county is also hard hit with very little planted; however, potatoes for seed may be planted up until July though hazards will be increased and yields reduced. There will undoubtedly be some planting of flax and perhaps barley through most of June but the production which may be expected from this would not be of any significance.

The hay situation is mixed. Old stands promise to produce heavy crops if the fields dry sufficiently so it can be harvested. New stands are extremely poor, some with insufficient growth to be worth cutting. For some reason the seedling plants have been unable to progress with the soil so moist and of course the plant population on new seedlings is reduced because of the drought last year.

I would say the situation is one of unprecedented severity, creating problems of tragic proportions for many farm operators.

Sincerely,

EVERETT HELMSTETTER.

P.S.—The only bright spots here are pasture and timothy and bluegrass for seed production.

E. H.

Name	Address	Number of acres to plant	Number of acres planted	Township
Felford Wicklander, June 12.....	Route 2, Roseau.....	60	18	Falun, sec. 3.
Raymond O. Donnell, June 12.....	Route 1, Warroad.....	450	10	Moranville, sec. 20 (1/2); Clear River, sec. 10 (3/2).
Harry Thompson, June 12.....	do.....	200	10	Clear River, sec. 17.
Eugene Battle, June 13.....	do.....	115	7	Clear River, sec. 19.
Olson Bros. (Raymond and Dwyer) (Joe Sidle and Erickson farms), June 13.....	Swift.....	600	0	Laona, sec. 5, 16, 17, 29, 30, 31, and 32.
John Harder.....	Route 1, Warroad.....	65	0	Moranville, sec. 22, 28.
Ivan Bendickson.....	do.....	100	20	Laona.
Oscar Holm.....	Star route, Warroad.....	69	9	Lake, sec. 34.
Paul Schroeder.....	Route 2, Solon.....	132	39	Enstrom, sec. 22, 23.
John Holmgren.....	Route 1, Solon.....	375	40	Enstrom, sec. 3, 10, 14, 4, 27, 74.
Norman Walkstrom.....	do.....	350	100	Enstrom, sec. 26, 27, 34.
Andy Strieff.....	Route 1, Warroad.....	45	0	Clear River, sec. 8.

¹ In sec. 5 they were going to try to plant some wheat today. I didn't have the heart to ask how much.

Mr. HUMPHREY. Madam President, I wish to compliment Secretary of Agriculture Freeman and the State ASC Committee in Minnesota for having acted with dispatch and intelligence in meeting the request of the county disaster committees in the hardest hit counties of the area. Already seven counties—those I have named—have received permission to graze cattle and to harvest hay on soil bank acreage.

My colleague [Mr. McCARTHY] and I also have discussed with the Secretary of Agriculture and with his top credit officials the very extensive problem of lack of credit in these areas, and we have been assured that not only will there be adequate credit for the 20,000 farmers who are estimated to be sharing a \$70 million crop loss this year, but also the Farmers Home Administration will be very generous in considering the plight of farmers who have previous production emergency loans outstanding.

I add, Madam President, that will require some action on the part of Congress, to see to it that the funds are made available for these loans.

The Farmers Home Administration already is offering emergency credit to farmers in 12 Minnesota counties: Beltrami, Clay, Clearwater, Kittson, Lake of the Woods, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Wilkin.

Madam President, I ask unanimous consent that a letter to me concerning FHA emergency loans, from Acting Administrator Floyd F. Higbee, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D.C., June 19, 1962.

HON. HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: This is in reference to your telephone inquiry of June 18 concerning the servicing of operating and emergency loans to borrowers who have been unable to meet their scheduled payments because of conditions beyond their control.

We should like to emphasize first that it is definitely not the policy of the Farmers Home Administration to discontinue its loans with borrowers simply because they are delin-

quent. Sometimes borrowers are unable to meet the scheduled payments on their loans because of circumstances beyond their control such as drouth or other natural catastrophes, or even unfavorable economic conditions. Under such circumstances it is the policy of the agency to continue its loans with borrowers provided they have carried out their obligations to the best of their abilities and are making the progress that would be expected under the existing conditions. Additional Farmers Home Administration loans may be advanced these borrowers to enable them to continue their farming operations even though they are delinquent on their existing loans. Agreements are reached as to the amounts that they will be expected to pay on their loans in line with their anticipated income and such agreements are recorded in the farm and home plan that is prepared in connection with the servicing of their loans. Where these policies are properly understood there have actually been very few borrowers who expressed any desire for a formal renewal of their loans.

While we have legal authority for scheduling loans over a period not to exceed 7 years from the date of the loan and to renew such loans for not more than 5 additional years, such renewals have not been used to date except where it has been necessary to extend security instruments in order to protect the priority of the Government's lien.

We wish to assure you that we will keep in close touch with our officials in Minnesota to be sure that they are servicing the loans of Farmers Home Administration borrowers with a sympathetic attitude consistent with the policies expressed herein.

Sincerely yours,

FLOYD F. HIGBEE,
Acting Administrator.

Mr. HUMPHREY. Madam President, it is clear there is going to be a critical feed situation in the area, and I am hopeful the Secretary of Agriculture will permit the designation of these areas for an emergency feed program this summer and the coming winter. Discussions have begun on this.

Finally, we are discussing with the Secretary and the Department of Agriculture the possibility of an emergency ACP program that will keep the rain-devastated fields of northwestern Minnesota from further deterioration during the summer of 1962 so that a good crop may be anticipated in the crop year of 1963.

I ask my colleagues to consider the plight of these Minnesota farmers, and to lend us their cooperation if legislation becomes necessary to deal with the extraordinary situation in this area.

Madam President, I am returning this afternoon to my home State. I am going to visit this area again. Some of our finest farmers live in this particular part of Minnesota. This is a beautiful area of our State. As I have indicated, it has some of the most fertile soil of Minnesota, and, indeed, some of the most modern up-to-date, efficient and dedicated farmers, as good as one could find any place in the Nation.

Not only are the farm people themselves suffering because of this crop disaster, but also I have received resolutions and letters from merchants and merchant associations, from city councils in the counties I have mentioned. The losses will go far beyond the \$70 million, which is the present crop estimate. It may well run to \$100 million,

\$150 million, or more of direct farm income loss. This must be added to the retail sales loss, as well as the loss of sales of farm machinery, and the many other economic difficulties which will be encountered. I suggest this indicates a very major economic disaster.

Therefore, we are calling upon the facilities of the Federal Government, and indeed of the State government, to do everything possible to be of assistance to self-sustaining people who do not seek relief, but who in this instance are every bit as much the victims of a disaster as those who lived on the east coast of the United States when the high winds and high seas in the spring of the year destroyed vast areas of the Eastern United States.

I notice that the Congress acted with dispatch when the high waters of the seas inundated coastal areas. The water that pours down from the heavens is every bit as wet and devastating when it comes in unbelievable quantities upon the fertile land areas of northwestern Minnesota and the northeastern and southeastern parts of North Dakota and the northeastern parts of South Dakota. That is one of the garden spots of the Nation. But the garden today is under water. Instead of there being 22,000 lakes that we pride ourselves upon in Minnesota today, many more hundreds have been added, and some of the lakes have taken on extra size.

So I am hopeful that there will be prompt action by the Department of Agriculture, the Small Business Administration, the civil defense authorities, and whatever other authorities the Federal Government can bring to bear upon the plight of our people.

ADDRESS BY FORMER PRESIDENT DWIGHT D. EISENHOWER

Mr. HUMPHREY. Madam President, I heard my good friend, the minority whip, the Senator from California [Mr. KUCHEL], remind us of the speech of General Eisenhower last evening. That was some speech. It was about the most partisan speech I have known the general to deliver. He has become more political each year. Some of us have wondered whether the leader of the Republican Party was a partisan when he took office. But he learned in a hurry. Since leaving office he has become even more of a partisan leader than at any time previously.

Of course, we all have a very high personal regard for a very great man—General Eisenhower—and those of us who are of different political persuasion naturally take notice of his comments, observations and speeches, as we should. The Republicans are indeed fortunate to have a man of the strength and the quality of General Eisenhower as their spokesman. I, for one, would never say anything personal about the general and former President that was not responsive, and, I hope, responsible. But when we come to partisan questions relating to Government policy, there may be some honest disagreement. I always try to listen with considerable interest and respect to the general's observa-

tions on military subjects, even though there may be honest disagreements over policy statements in this area. But when the general ventures off into the field of agriculture, I say that, like Alice, he makes a trip into wonderland. His dissertation deals with fiction rather than fact.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. HUMPHREY. I am delighted. I was hoping that the Senator from California would ask a question.

Mr. KUCHEL. My able friend—and he is my friend—is thoroughly acquainted with the fact that the distinguished former Chief Executive of the United States, General Eisenhower, lives on a farm in Gettysburg.

Mr. HUMPHREY. Yes.

Mr. KUCHEL. He classifies himself as a farmer.

Mr. HUMPHREY. Yes.

Mr. KUCHEL. Therefore, to say the very least, General Eisenhower is not entirely unacquainted with the jungle of farm legislation to which he and others in that occupation are subjected.

Mr. HUMPHREY. I respect the thoughtful, pertinent, and friendly observations of the Senator from California. If only our Minnesota farmers could operate their farms in Minnesota from Palm Springs, Calif. Oh, what farming it would be. What joy would come to the plains of the Midwest.

I have great interest in the general's farm at Gettysburg. I understand it is beautiful. But it is one of the farms that seems to be on a "do-it-yourself" basis, because the manager is seldom present.

Mr. KUCHEL. Madam President, will the Senator yield further?

Mr. HUMPHREY. Yes, I am happy to yield.

Mr. KUCHEL. The proposed farm legislation which was recommended by the Chief Executive of our country purports to apply with equal vigor and equal restriction to the farmers of our land, whether they come from the fine State represented by the distinguished majority whip, whether they come from Gettysburg, or whether they have the opportunity to travel to the State from which I come, and enjoy an opportunity in their later years to bask in God's sunlight at Palm Springs.

Mr. HUMPHREY. Oh, I hope every Minnesota farmer can have the same privilege that the distinguished general has of spending at least some months out of the year at Palm Springs. It is beautiful, magnificent, well groomed. One might say it is the final word for the soil bank. It really requires a bank to live there. It is great.

But I wish to discuss the agricultural policy statement of the Republican leader, who addressed the \$100-a-plate pork chop banquet last night. That is an extremely good price for a farm banquet.

Mr. KUCHEL. Madam President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. My able friend and I have great respect for our former colleague, who now has the awesome re-

sponsibility of being President of the United States. Would the Senator suggest where the present President of the United States acquired a facility in the field of agricultural legislation which prompted him to send to the Senate his recommendations with respect to agriculture?

Mr. HOLLAND. Madam President, will the Senator yield at that point?

Mr. HUMPHREY. Madam President, I was about to ask my good friend from Florida to respond to that statement, because I know he has some thoughts on agriculture to give us at this point.

Mr. HOLLAND. I thank my good friend. I merely wished to inform my able friend the Senator from California—and he is a good friend—that I am sure the distinguished former Senator who now presides over the destiny of the United States gained great experience and knowledge of agriculture, as well as a great deal of good rest, relaxation and pleasure, at Palm Beach, Fla. Many fine citizens from other States, including many fine ones from the State so ably represented by the Senator from Minnesota, come to Florida for months at a time. I do not know whether they manage their farms from there, but the fact is that thousands of good people engaged in agriculture do come to Florida.

I was somewhat alarmed when my distinguished friend from Minnesota, with his well known flair for publicity, said something that sounded as if he were willing to make Palm Springs the acme of perfection agriculturally and from the standpoint of soil development.

Mr. HUMPHREY. I merely started with Palm Springs. I intended to go to Palm Beach. Then I intended to come back to that agricultural area known as Burning Tree. There are many such garden spots in America. But with all due respect to the Senators from California and Florida—in the present discussion I feel that my situation is much like the description in Tennyson's poem,

Cannon to right of them,
Cannon to left of them—

Senators and I know where I am marching. My friend from California and my friend from Florida sometimes have rather similar views on agricultural policy. I respect those views, and I respect both of these good friends.

I wish to say a word about the Republican agricultural policy which has come to light in recent years.

The first thing about it is that it has one line: "Stand still. Do nothing. Resist. Be against."

That is the line of the Republican Party in agriculture. This attitude has become contagious in other areas of government. The document which was revealed by the House subcommittee indicated the Republican leaders in the House had taken the position their duty was to oppose.

Madam President, it is the duty of the opposition to oppose. I would be the last one to say that that is not a proper responsibility for the opposition party. However, it is also the duty of those who oppose, if the situation becomes critical, to present or propose. Opposition also

requires proposition. Opposition requires that one take something more than merely a negative point of view.

When it comes to agricultural policy, it seems to me that the leaders of the former administration wish merely to say "I pass," when it comes to recommendations.

Let me recite some facts. In 1952, the last year of the Democratic administration before 1961, the budget for the Department of Agriculture was about \$2 billion. In 1960, the last half of the year, and up to the end of fiscal 1961, the budget for the Department of Agriculture had risen to \$7 billion. In 1952 the agricultural income was \$14.7 billion. For 1953 it had gone up—and that is including the last half of calendar year 1952—to \$15.2 billion.

During each year of the Benson farm program, which was a Republican program, one-half billion dollars more each year was sliced off the income of American agriculture. Despite the increase in population and despite the fact there was inflation in every other segment of the economy, the American farmer took a licking 8 years in a row. The income dropped from \$15 to \$11.2 billion. The total loss in income in 8 years of the Eisenhower-Benson program was more than \$30 billion—\$30 billion of income was lost, never to be put into the hands of the farm producers, never to be made available for the producers to expend in the marketplace.

Anyone with such a dismal record in agricultural policy as that which we experienced in the 8 years from 1953 to 1961 is hardly in a position to criticize. Those who live in glass houses should not throw stones.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. HUMPHREY. That is an old axiom. Those who have a record of failure should not talk about how to get an A grade or about how to get a program of excellence.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. Let the record show that on many occasions I have been most happy to join the distinguished assistant majority leader in sponsoring legislation to make progress in our land, but in this instance my able friend from Minnesota is mistaken. There is one Member of the Senate who knows as much about agriculture as does any other Member of the Senate. He was Secretary of Agriculture in the administration of President Truman, a Democratic President. His views are not dissimilar to the views expressed by the man from Gettysburg; nor different from those stated on this side of the aisle.

Let me say to the Senator from Minnesota, who ably champions the cause of the farmers he represents, that it is generally conceded that we have a farm problem. I believe it is generally conceded that something ought to be done about it. In that regard, I ask unanimous consent that at this point in my questioning of the Senator from Minnesota there may be printed in the Rec-

ORD an editorial published in today's Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHANGE OF STANCE NEEDED

Thomas Jefferson said: "Were we directed from Washington when to sow, and when to reap, we should soon want bread."

The Kennedy administration's just defeated and unlamented farm bill didn't promise to go quite that far, but it was headed full tilt in the direction feared by Mr. Jefferson.

It would have regimented American agriculture as never before. Except for livestock, it would have meant farming by Government certificate or permit.

That's why defeat was merited. But we agree with the Kennedy administration's original position that change is needed from the present costly farm setup.

The change, though, should come by a different method than that envisaged by the Kennedy planners. Instead of through more controls, it should come from a program designed with only one thought in mind: "How can we move gradually and continually to get Government out of agriculture and set it free?"

To those who say it can't be done without disaster to farmers, we recall the days when the Government destroyed mountains of potatoes to keep up potato prices and kept trainloads of dried eggs in Kansas caves to keep up egg prices.

These programs were junked long ago, and we still have farmers producing potatoes and eggs—at prices at which they apparently can make money and which, at the same time, offer comparative bargains to consumers. True, the inefficient producer of potatoes and eggs has largely been eliminated, but that is the eventual fate of inefficient producers anyway, in all walks of life.

It remains highly uncertain what will evolve in the way of farm legislation at this session of Congress, with the Kennedy administration now going to push in the House for a 1-year extension of the present voluntary program of curbing surpluses.

But what is needed is a change of stance on the part of the Kennedy administration—the adoption of a goal of striving to set American agriculture free from controls.

Certainly, mountains of surpluses will pile up as long as we maintain price supports that guarantee healthy profits to producers. That's what we have now. Price supports should be as originally intended—a safeguard against economic disaster, not a guarantee of a fancy profit.

Mr. KUCHEL. I say with great respect to my colleagues in the Senate who belong to the Democratic Party that they control the Senate and the House of Representatives. The terrible responsibility of the executive branch of the Government now rests in the hands of a very great and gallant American who is a Democrat, not a Republican. When Dwight Eisenhower had the awesome responsibility of being the Chief Executive of this country time after time he sent to Congress his carefully considered recommendations for farm legislation, only to see those recommendations go down to defeat because for 6 of the 8 years that Eisenhower was President the Democratic Party controlled the Congress. On every one of those occasions the Senator from New Mexico [Mr. ANDERSON], a former Democratic Secretary of Agriculture, voted along with the Eisenhower recommendations.

I merely wish to show—and I know my friend from Minnesota will agree with me—that most of us desire, in good faith, to try to solve the problem. Nevertheless, there are some honest differences as to how this goal can be attained most effectively without placing shackles on the American farmer. I know the Senator will agree with that statement.

Mr. HUMPHREY. I thank the Senator. Of course, we have some differences. I would be the last Member of the Senate ever to suggest that the Senator from California is not as sincere in his desire to serve the public interest and the national welfare as is the Senator from Minnesota or any other Senator. We have disagreements. In many instances the Senator from California, the minority whip, and the Senator from Minnesota have agreed and have worked together. It has been a joy for me to do so.

It is with a heavy heart and in a sad spirit that I find myself in disagreement with the distinguished Senator from California on this occasion.

Madam President, I am in disagreement on agricultural policy. I am in disagreement because the record shows that the policy pursued by the previous administration was one of economic ruin, and that the policy that has been advocated by this administration points the way toward economic solution of the problems of American agriculture.

In the past some Democratic Members of the Senate have agreed with the farm policies presented by the previous administration. However, I think it is crystal clear that the majority of the Democratic Party disagreed with that point of view. It ought to be equally clear that the recommendations of the previous administration on agricultural policy, while frequently amended, in the main were accepted by Congress, because the votes were available to carry them through Congress.

It is well known that there are differences of opinion in both parties on the subject of agriculture. For example, consider the case of the able Senator from North Dakota [Mr. YOUNG]. He is one of the most able members of the Committee on Agriculture and Forestry. He and the Senator from Minnesota have agreed on agricultural policy. The same thing is true with respect to the Senator from South Dakota [Mr. MUNDT], who served on the Committee on Agriculture with the Senator from Minnesota. We have agreed basically on agricultural policy. However, it is fair to say that the overwhelming majority of Republican Senators supported the Benson program and that the overwhelming majority of the Democrats resisted the Benson program.

The Benson program had one economic theory. That was its weakness and ultimately its source of destruction. That economic theory was that if we cut the price, we reduce production; and if we reduce production, we reduce the Government costs involved in the program. The theory was just that simple, but it did not work. The fact is that

when we cut prices we do not reduce production. We increase it.

I remind the Senate of one example that no one can dispute; namely, that when we cut the support price on corn to 65 percent of parity—that was the Benson program and the Republican policy program, which was put through over my resistance by a close vote in the Senate—the result was that 18 million acres more of corn were planted in 1 year, which resulted in a production in 1 year of approximately 1 billion bushels more of corn.

The feed grains surplus with which we are struggling is due to a policy of low supports and no controls. I believe if there are to be price supports, there must be production controls. The taxpayers should not be taken to the cleaners. They should not be asked to support unlimited production with price supports at 50, 55, 60, 65, or 90 percent. If there are to be meaningful price supports, there must be some managed type of production. Therefore, the previous administration, saying that it wanted no regimentation, repudiated controls. But in saying it wanted no regimentation, it did not have the courage to say it wanted no price supports. So, with price supports but no controls, \$9 billion worth of commodities were in Commodity Credit Corporation stocks at the end of 1960. This surplus stood as a constant pressure on the price in the market, forcing down the price farmers receive for their goods. The surplus increased the costs of the Commodity Credit Corporation until the Government spent hundreds of millions of dollars every year in storage costs; until the Government spent hundreds of millions of dollars every year for spoiled grain.

That program has led to all kinds of trouble—everything from corruption to the destruction of commodities. This situation must be changed. What we have tried to do and what the Senate did, was to pass a program which we call the A B C D's of agriculture—an agriculture of abundance, an agriculture that can be put to use, a better balance between production and consumption; conservation of the soil; and development of agricultural resources. This is the Kennedy-Freeman program. The Senate passed it. I deeply regret the other body saw fit to reject it by a close vote. It is true that 48 Democrats, out of 215 votes, voted against the administration program. But it is interesting to note that 204 Democrats and 1 Republican voted for the program. I have heard it said that the Democratic Party coerced and put pressure on its members to vote for the Kennedy-Freeman Democratic program. But who was coerced when the Republican leadership persuaded every Republican but one to vote against the administration program? If that was by accident, it was one of the most coincidental accidents I have ever heard of. There is no doubt that the Republican leadership did its job. I commend it for this. It followed the party line: "Obstruct. No, no. A thousand times no."

Mr. McGEE. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Wyoming; then I will further yield to the Senator from California.

Mr. McGEE. The point I wish to raise with the distinguished majority whip, who has taken a realistic approach to America's assault on the agricultural problem, is a simple fact of agricultural experience in our Nation's history. I am not a farmer. However, I have read much in agricultural history; in fact, I taught a little of it.

The record is clear—and I think even the Republicans are about ready to comprehend it in 1962—that since the end of the 19th century the farmer has produced more than he or we can use up, wear out, or do anything else with. Therefore, he has had to gear himself to world markets. But his economic plight is that he must sell on an unprotected world market everything he grows. Therefore, he gets the lowest possible price for his products.

But he has to buy his own needs on a relatively high protective home market. Therefore, he faces the inescapable gap between what he gets for what he sells and what he must have in order to live. I submit that the most ingenious free-enterprise Republican farmer in the world cannot close that gap by skillful tilling of the soil or management of his farm.

Therefore, it is necessary to return to the assault on the plight of the farm problem. His problem cannot be turned over to the marketplace for a settlement of his plight, because that would not overcome the discrepancy between cost and receipts. But if we cannot give the farmer an advantage to enable him to overcome the discrepancy between cost and receipts which we give to American businessmen, we cannot hope to resolve the farmers' difficulties. We do not beat the business community when we seek to help it. We do not beat the banking community when we seek to assist it in its activities around the globe. But every time we seek to close the built-in gap against the farmer, he is accused of accepting a handout from the Government. He is accused of accepting subsidies. How can a man of the soil actually compete in a world in which most of the other sources which compete with him are aided and abetted by their governments or are aided by a low cost of production?

Therefore, it seems to me that this question ought to be moved even beyond the realm of whether Republicans or some stray Democrats are responsible for the destruction of the bill. It is time to face the facts with the farmer, and provide that he shall have a supported price for the difference between his income and his expenses, in order that he may make a reasonable profit in agriculture.

Does the distinguished majority whip agree with that analysis of the economic plight of the farmer?

Mr. HUMPHREY. I certainly do. The Senator from Wyoming is intimately acquainted with the difficulties of farm producers in his own State and throughout the Nation. He knows that the history of agricultural economics reveals,

first, that low prices do not restrict production. It reveals also that farmers have fixed costs, the same as everyone else, and that the only basis on which farmers can meet these costs is the aggregate income from the sale of units of a particular commodity—bushels, pounds, or whatever it may be. Thus, if the price of wheat is \$2 a bushel, and the cost of a tractor is \$2,000, 1,000 bushels of wheat will be required to pay for the tractor. If the price of wheat is \$1.50 a bushel and the price of a tractor is \$2,000, approximately 1,300 bushels of wheat will be required to pay for the same tractor. So the farmer must expand his production.

When we consider the production figures and the crop loans which are provided by the Government—what are called price supports—the simple truth is that the Government accumulates more and more of the commodity which is not absorbed by normal consumption and exports in the regular marketing of agricultural commodities. That is why there are large surpluses of wheat and feed grains which at present burden the Commodity Credit Corporation.

I noticed that former President Eisenhower said his program for the farmer was "a return to freedom." That is nothing but a pleasant sounding Fourth of July statement. After all, the farmer of America is a free man. He is as free as anyone else I know of in terms of his political freedom, his spiritual freedom, freedom of the press, and freedom of movement. The farmer's real problem has been and is his economic plight. The so-called freedom that the Republican leader talks about was freedom to do what? First of all, it was freedom to commit economic suicide by taking small doses each year of political arsenic. Arsenic is a poison which has a cumulative affect. It does not affect a person the first day. But by the time it has taken its toll, the person is as dead as if he had been put away on the first day.

Another "freedom" which farmers were given under the previous administration was to liquidate their numbers by an average of 100,000 farm units a year. They could not endure the economic conditions under which they produced and sold in the marketplace.

Another of the previous administration's "freedoms" was that of losing \$30 billion of farm income in 8 years. That was the only alternative it offered under the program, aside from causing the farmers to go out of business.

The farmers had another "freedom," namely, the freedom of having saddled upon themselves and upon the American people a farm program which took a welfare claim upon the Treasury every year. The very same administration that talked about balanced budgets gave the Government \$28 billion worth of deficits in 8 peacetime years. The very administration that talked about freedom for the farmer saddled on the taxpayer every year the increased cost of a Government program which resulted in reduced income for the farmers.

Madam President, I could make a case for an increased cost to the Government of a farm program if it would

result in a net gain for the farmers. But, to the contrary, 100,000 fewer farmers a year and, in 8 years, 14,000 more employees in the Department of Agriculture—more employees to take care of fewer farmers; and at the end of the 8 years we had over \$7 billion worth of farm expenditures, with reduced farm income, reduced farm population, reduced farm units, higher farm costs, and higher farm mortgage indebtedness. In the 8 years of the Eisenhower administration the farm mortgage indebtedness doubled—a 100-percent increase.

Madam President, when President Eisenhower took office, there were about \$2 billion worth of stocks in the Commodity Credit Corporation. When he left office \$9 billion worth of those stocks was there. But there also were approximately 100,000 fewer farmers and there was nearly \$4 billion less farm income in that year, 1960, than there had been in 1952—quite a record to talk about, let me say, even though I now indulge in a bit of political sarcasm. In fact, it is no record at all, except a record of failure.

I do not say the new administration has performed miracles, but certainly it has improved the situation. This administration's program of last year, as regards emergency feed grains and wheat, reduced the Commodity Credit Corporation stocks of feed grains by 300 million bushels and wheat by about 150 million bushels. Let me say to the taxpayers that those 300 million bushels of feed grains were removed from the storage bins, with the result that the government—the taxpayers—did not have to pay 15 cents a year storage charge for each bushel. The carrying costs for feed grains alone was reduced \$150 million. That was the first major reduction in 8 years in carrying costs for feed grains.

But the former President and leader of the Republican Party says, "Let us return to what we had, and let us have freedom for the farmer."

Mr. KUCHEL. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I ask my friend whether or not it is true that in the farm legislation which was defeated in the House of Representatives there was a provision for the conviction of a farmer of a Federal crime if he failed to comply with its provisions.

Mr. HUMPHREY. That provision was stricken in the committee. I think it was an unwarranted provision, and I think the Senator from California is absolutely correct in criticizing it; I, too, was one of those who criticized it.

Mr. KUCHEL. That is what the former President of the United States had in mind when he spoke in terms of freedom.

Mr. HUMPHREY. The distinguished Senator from Oregon [Mrs. NEUBERGER], who now is the Presiding Officer of the Senate, is a member of the Committee on Agriculture and Forestry; and I believe she would state—were it not for the fact that, under the rules of the Senate, the Presiding Officer is not permitted to

participate in the debate—that the first witness to appear before the committee to ask that that provision be stricken was the Secretary of Agriculture, himself. I notice that the Presiding Officer is nodding her head in agreement with what I say.

The agricultural bill passed by the Senate did have differences from the bill introduced at the request of the administration. But the basic features of the bill were those which the administration wanted.

The battle on the bill was a hard-fought one, and the votes were close. I believe on the final vote there was a difference of only about four votes. A number of Senators were absent at the time; but the only record to which we can point is the actual tally taken at the conclusion of the debate and after the bill had been read the third time.

Madam President, I am not trying to say every feature of the bill is the last word; but I am saying it is a well documented fact that the bill, as passed by the Senate, would have saved the Government of the United States, and the U.S. taxpayers, approximately \$1 billion in the cost of the farm program.

These figures were given by the President, the Bureau of the Budget, and the Department of Agriculture; and they have not been successfully disputed. It is a fact that the emergency feed grains program last year saved the taxpayers about \$400 million. That itself is a significant accomplishment. But when I hear leaders of the opposition party talk about fiscal responsibility, and then when a chance comes to save the taxpayers a billion dollars—and, by the way, also to improve farm income and to have a farm program which the farmers themselves will have a right to approve, for the program requires the holding of a referendum and a two-thirds favorable vote by the farm producers if it is to go into effect—then, Madam President, when I see a political party stand like a solid wall and resist a farm program that could save the taxpayers a billion dollars and could improve farm income at least to the extent of a billion dollars, I say it is politically irresponsible.

Madam President, last year—the first year of the Kennedy administration—farm income increased \$1 billion. This year the administration wanted to cut the cost of a farm program by means of more effective management of production; and it proposed to give the farmers a good choice and an honest choice. It said, "Mr. Farmer, you are entitled to a fair price for what you produce, in terms of what the Nation can use in its domestic economy and in its exports and in its international programs and in its relief programs." This is what we call supply. Under the administration program, the farmer was told, "Mr. Farmer, we will outline what we consider the necessary supply for our national needs, and we will see to it that if you produce that amount, you will be paid a fair price; but you will have to accept controls over your production, so that if you produce more than what the country really needs, you cannot call upon the Treasury of the United States to pay for that."

Madam President, farmers are decent, wholesome, honest, good people; and I do not think the farmers want the Government to pay for everything they produce, if they are given an alternative. What we offered them was an honest alternative. We said, "You will get a fair price if you agree to some control over your production; but you will get a price at 50 percent of parity or less if there is no control of production."

This is what the opposition calls regimentation. But no one is forcing that upon anyone; it would be a choice—an honest choice, with provision for the farm producers—not the Members of Congress—to participate in a referendum vote.

Mr. KUCHEL. Madam President, will the Senator from Minnesota yield again?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I wish to say that when the farm legislation was defeated several days ago in the House of Representatives, by a combination of votes of both Republicans and Democrats, it was defeated, I think, not by reason of an act of "stupidity"—and I use that word in quotation marks, because the able Senator suggested that it was stupid to oppose it—

Mr. HUMPHREY. Madam President, I did not mean to say it was stupid to oppose this program. I say it was unfortunate. Let me say I think it was unfortunate and also unwise. That is a more sophisticated way of saying what I was about to say, anyway. [Laughter.]

Mr. KUCHEL. Very well.

My point is that I think a reading of the record of the debate in the House of Representatives discloses that numerous amendments were offered solely to solicit additional support. For example, if I correctly understand the farm legislation as it was presented to the House, it provided that it would not apply to those who own 25 acres of land or less.

An attempt was made by amendment to change that provision so that it would not apply to farms of 40 acres or less, in an attempt, I take it, to attract additional support.

I read one sentence from a statement by a Member of the House of Representatives during the debate:

I wish to express my profound disgust at the action of cynical advocates of high price supports and rigid crop controls who blandly urge these principles for all farmers and then proceed to exempt from controls their particular friends and constituents by little understood amendments of the law.

Those words came from the mouth of a distinguished Democratic Member of the House of Representatives, and not from a distinguished Republican Member of the House of Representatives.

So as we try to find a way to be of honorable assistance to the American farmer, sometimes pitfalls are thrown in our paths that make it difficult to move forward.

I cannot say this off the record, but I would like to leave pretty soon. This is Saturday afternoon. However, coming back to the point which put my very able friend into an intellectual paroxysm, namely, the Eisenhower comments, let the record show that the Senator from

Minnesota, who graces the Senate and the Democratic Party as one of its leaders, shares with me a high respect for General Eisenhower. When the former President made his comments concerning freedom for the American farmer he set a goal to which the wise and honest could repair.

Mr. HUMPHREY. I thank the Senator. My respect for the general is full and complete. It is like my respect for my late uncle, John Humphrey, who lived in Lexington, Ky. He was a good businessman, a fine citizen, a good father, a good uncle, who was generous, particularly at Christmas, but he had bad political habits—he was a rock-ribbed Republican, and his political thinking—and I say this in all respect to a dear, departed relative—had moved right up alongside William McKinley, in 1950. That fact did not in any way reduce my affection for him or my high respect for him.

I think it is fair to say that on both sides of the aisle we do not find ourselves in political agreement with some of our closest social, personal friends, because politics, like religion, is a matter of personal conviction.

I always hope we can argue political questions without anger. We have always been able to do that with my delightful friend from California, Senator KUCHEL, from whom I have a different point of view, particularly on agricultural policy. Perhaps this is because I was born in South Dakota and was raised in a rural area, that my family has a business in a rural area, that I lived in Minnesota most of my adult life, and that I was mayor of the large city of Minneapolis that depends in large measure on rural purchasing power.

I have visited thousands of farm homes. I have walked the fields of thousands of farms in Minnesota, the Dakotas, and elsewhere. I may not be an expert in any endeavor in this body. I claim no expertise on any problem, but I claim some understanding of the problems facing farm families, particularly in the Great Plains of the Middle West; and they are no different there than they are elsewhere.

I shall conclude soon because, like the Senator from California, I wish to leave. When I leave I shall board a plane bound for the beautiful North Star State of Minnesota, where I shall join my family and visit some of my constituents; and I shall go into the northwestern part of my State, which today suffers from serious floods and heavy rains.

When I go there I want to take them a message of hope, and I do not want to have to leave this floor and have somebody say to me, "Senator, did you let that Republican leader get by telling us what we ought to do in agriculture when we had to suffer 8 years of a kind of low-grade fever that we call Bensonism out our way? It was very difficult. It was not a high fever. You just did not feel good over a long period of time; that is all."

That feeling interpreted itself in very practical ways in bank accounts. It started to show itself in reduced savings and increased indebtedness.

I conclude my remarks by saying that some of the freedoms talked about are freedoms we can get along without—the "freedom," for example, for the farmer to pile up more and more surpluses he does not want and does not need, and that the Government does not want or need; and the "freedom" to see his income reduced year after year.

I submit that the program presented by the administration is a sincere, and I believe, a great endeavor to rectify and correct the situation. Of course, when strong action is taken, some people are going to resist it. It is never easy to correct bad habits. It is never easy to say, "Next year you are going to get help from your Government, but you are also going to have to exercise self-discipline. You are going to have to take some controls which you yourself will determine."

This is not easy. It is not easy, for example, for me to go to farmers in Minnesota who raise feed grains—and they feed and sell feed grains there—and say, "You cannot raise all the corn you wish. If you are going to get price supports on corn, for the sake of orderly marketing purposes you will have to cut back your corn acreage and your corn distribution."

This is not easy. People will say, "Senator, for years we have produced all the corn we wanted to produce." I reply to that, "Yes; and we ran out of storage space."

I have made no bones about it. I have many friends to whom I have said, "I want to see you get profitable prices for what you produce, but if you are going to have help in your marketing, crop loans and price supports, there must be, along with it, something you yourself will have to impose, namely, some production controls so there may be a fair price in the marketplace for what you grow."

This administration has done things which are creditable. Farm income has gone up. Price supports for 1961 for cotton, rice, peanuts, and other products have gone up.

More than 1,100,000 farmers in 47 States signed up for the 1961 feed grain program diverting 25,200,000 acres out of corn and grain sorghums, and the program brought about a reduction of 600 million bushels from what would have been carried over without a program.

This administration has strengthened and revitalized the farm committee system. Under the leadership of Secretary of Agriculture Freeman, it carried out an unrelenting campaign to improve the public image of agriculture and increase the appreciation of the farmers' unparalleled accomplishments in producing our vast amount of nourishing products.

I feel we still can come forth with a good farm program. I am not too discouraged over what happened in the other body. I think the criticism the Senator has brought to our attention concerning the number of amendments added is a valid criticism. I do not think we ought to try to pretend that everything was wonderful. It was not. I regret all these patchwork efforts were made.

What we need now, as has been indicated, is a better farm program. Whether it be the one the administration has offered, or some other program, it needs to be an improvement over what we have. This is one of the reasons why Senators and Members of the other body are elected.

I understand the other body will make another attempt at some amendments to the farm program. I hope proposed legislation will pass the other body. I have been told the amendments will be very much along the lines of the emergency feed grains program and the present wheat program.

Then, Madam President, we shall go to conference. In that conference we can iron out some of the differences—even what may be, perhaps, unwarranted propositions or amendments—and see if we finally can arrive at a bill which will do at least three things:

First, improve farm income. This is the major purpose of farm legislation.

Second, bring some reasonable degree of order and balance into our supply situation. I am not one of those who feel supply should be so restricted we cannot fulfill the requirements under what I think is the finest of all our programs, the food for peace program. We must continue that program.

Third, a farm program which will cut down the cost of the Department of Agriculture and its many price-supporting activities. We can do this. We can do it without hurting anybody. I think it is the duty of those of us who serve in the Congress to accomplish it.

I doubt that anyone would disagree with those objectives.

How can we do these things? We in this body have taken action. We now wait for the other body to take some constructive action. After this is done, I hope we can provide a program of value to the farmers. Some adjustments will have to be made. At least, we can cut back on some of our overproduction of cereal grains. We can have a feed grains program that will take care of the needs of the cattle raisers and the stock producers, the normal users of feed grains, and at the same time bring supply into a better balance with consumption.

I think we can do it. I hope it will be done promptly, because the people of the country do not wish to see merely a political battle. I think there have been too many fights over agriculture and too little accomplishment. What we need is the fulfillment of the goal or objective of a better farm program for the American economy.

Mr. McGEE. Madam President, I commend the Senator from Minnesota for his articulate comments on the farm problem today. I remember that when I was formerly an assistant to a Wyoming Senator, when I first had the privilege of being on this floor as a staff member, the first speech I heard any Senator deliver on this floor was a speech by the Senator from Minnesota, and it was on the farm problem. He made good sense then. He makes the same good sense now. I only wish that the

majority of those who must make judgments would listen to him more consistently.

It has been interesting, likewise, to listen to the exchange between the whips this afternoon. We talk about cracking the whip, but it has been another kind of revelation to watch a whip whip a whip back and forth. I think the real role of the whip has been made clear for the benefit of Members of this body this afternoon.

THE AIR IS PURE IN CHEYENNE, WYO.

Mr. McGEE. Madam President, I wish to put into the *RECORD* a brief notation carried by the Associated Press a couple of days ago. It was published in the *Denver Post* on the 21st of June 1962, under the title "Phoenix Air Dirtiest in Nation—Cheyenne Tops."

Madam President, I understand the article to have no political connotations. It reads:

Scientists describe the air at Phoenix as the dirtiest of any city in the Nation, an air pollution expert says, and Los Angeles leads in organic pollutants.

Lest my distinguished colleague, the minority whip [Mr. KUCHEL], think this is intended as a criticism of Los Angeles, I wish to say that it gets Los Angeles off the hook, because the report goes on to say that no longer is Los Angeles the worst city with respect to pollution in the United States. Los Angeles has come up in the standings.

The article says:

Smith Griswold, chief Los Angeles air pollution control district officer, said Wednesday that a national survey of 48 cities showed the Arizona city had the greatest amount of dust, ash, and soot in its air and the second greatest percentage of organic pollutants—primarily auto exhaust fumes.

He added that Los Angeles dirt pollutants have dropped 11 percent in the past 3 years, while they have risen by 33 percent in other cities. St. Louis, Philadelphia, and New York, he said, have dirtier air than Los Angeles.

The figures came from analyzing a survey by the national air sampling network of the U.S. Public Health Service.

I hasten to add:

The survey reported that Helena, Mont., and Cheyenne, have the purest air in the Nation.

I add, for the benefit of the distinguished majority whip [Mr. HUMPHREY], that as he heads out to Minnesota this weekend—I assume within the next few minutes—he might go over to enjoy the pure air which extends over the nearly 100,000 square miles of the Rocky Mountain State of Wyoming. He has been there many times in our behalf. I think perhaps he might return to the Senate refreshed and rejoicing.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. McGEE. I yield.

Mr. HUMPHREY. Would the Senator clear that invitation with the majority leader?

I should like for the Senator to know that nothing would please me more than to be able, first, to visit Minnesota;

then to go to the great State of Wyoming, which is so beautiful; and then to travel all the way across that great area of the Rockies and into sunny California.

Mr. KUCHEL. To Palm Springs.

Mr. HUMPHREY. To Palm Springs, where, most likely, I could meet the general and my distinguished friend, the minority whip.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. McGEE. I am glad to yield.

Mr. KUCHEL. The article to which the Senator refers is most interesting to me, because I was born and raised a stone's throw from the city of Los Angeles.

Madam President, I was born and raised in Anaheim. When I tell that to people in the East, they usually look a little quizzical. Once I say, "That's Disneyland," they understand from where I come.

The people of Los Angeles have had a problem with respect to air pollution, and they have been overcoming the problem. They have been overcoming it in part because of the legislation for which my good friend from Wyoming has been a constant and devoted advocate. The U.S. Senate has given to the House of Representatives proposed legislation which I was honored to author to increase the jurisdiction of the U.S. Surgeon General and the Department of Health, Education, and Welfare so that they could intensify their efforts in eliminating from the air pollutants in all their many forms.

I salute my friend from Wyoming. I was most interested in his comments. If the invitation is extended to me to come out to Wyoming, I will come out to visit him, and also visit a relative of mine who lives in his State.

Mr. McGEE. We should be most delighted to have the Senator visit, before he leaves the State, his relative, Russ Kuchel, the head of the Economics Department of the University of Wyoming.

It seems that "Keekels" are spreading their wings, along with the "Kookels" of Wyoming, to other parts of the land.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. McGEE. I yield.

Mr. KUCHEL. This points up a problem which I have in my political campaigns.

Mr. HUMPHREY rose.

Mr. KUCHEL. I ask my friend from Minnesota not to leave. I will get back to him in a moment.

My grandfather was an immigrant to this country from Germany in the 1830's.

My grandfather married a girl in Indiana who was part Irish. They then went to California, where my late father was born. That was more than a century ago.

My people were among the immigrants who founded the town of Anaheim. Everybody there knew how to pronounce my name. When I went to school in Anaheim, I had no difficulty. My name, although spelled K-U-C-H-E-L, was pronounced "KEEKEL" because it had an umlaut over it.

Mr. HUMPHREY. A what?

Mr. KUCHEL. An umlaut is a form of diacritical mark, which we do not now use in the English language.

The difficulty of pronouncing my name has gone along with me as I have gone through life. In a primary campaign in California, Madam President—this story may be true and it may be apocryphal—I am told that one citizen in California said, "I am going to vote for 'KOOKEL' but I am not going to vote for 'KEEKEL'," and I defy the Official Reporter to state that accurately in the *RECORD*.

Mr. McGEE. I conclude with the comment that in the studies of air pollution in our country I have always supported the Senator. I salute him and his hometown. I have spoken in Anaheim. It is a beautiful city. However, I believe that the bills we have enacted so far have left out the kind of air pollution he and I agree should be eliminated. It is a kind of political pollution of air that is concentrated around the Los Angeles area at the present time. I know that the Senator from California has had the courage, even in a political year, to disavow the John Birchers and other groups of that stripe. In the national interest I for one will fight to get rid of that kind of pollution, so that it will no longer obscure the true voice of America that is important to be heard at all times. I think it would be a contribution to the Nation.

Mr. KUCHEL. I thank my friend.

Madam President, I have no intention of delaying the adjournment of the Senate this Saturday afternoon. Therefore, I shall not make any extensive comments.

I believe that by reason of the views on farm legislation which the majority whip has expressed here today I should merely indicate that in my judgment the agricultural legislation recommended by the present administration is wrong. I opposed it. It has gone down to what I believe is a deserved defeat.

I am not one of those who will indulge in recriminations on a political basis. I think that every administration, as it evolves through the years in which it has the mantle of responsibility, makes progress here and mistakes there. It may well be, as the Senator from Minnesota has suggested, that there were 10,000 more employees on the payroll of the Department of Agriculture at the time President Eisenhower left office than when he started. I do not know. But if the Senator makes that statement, I have no doubt that he is correct. I recall that in 1 month under the present administration the number of employees in the Department of Agriculture increased by 2,500 or more. If that regrettable statistic were to form a pattern, the statistic which my friend suggested—a 10,000 increase over an 8-year period in the Department of Agriculture under the Eisenhower administration—would dwindle away to nothing. I make that statement so the Senator may have an example of the care with which he and I must watch the budgetary items as they come before us for a vote.

I do not consider myself an expert on farm legislation. I sit in the Senate and listen to those who I believe are experts on farm legislation. I listen to my able friend from Minnesota. I listen to the distinguished Republican Senator from Vermont [Mr. AIKEN]. I listen to the distinguished former Secretary of Agriculture under President Truman, on the Democratic side of the aisle, the Senator from New Mexico [Mr. ANDERSON]. I listen to Senators like the Senator from Iowa [Mr. HICKENLOOPER], who represent the Great Plains States of the Midwest. I then draw my own conclusions. I want the record clearly to demonstrate that when the roll was called on the proposed farm legislation advocated by the present administration, the GEORGE AIKENS, the CLINTON ANDERSONS, the BOURKE HICKENLOOPERS and the WILLIAM PROXMIRES were among those who voted "nay" on the proposed farm legislation. They did not do so because they turned their backs on the American farmer. They themselves are farmers, and they come from farm States. They registered a vote of "nay" because they do not want to place shackles on the American farmer. They want to help the American farmer at the same time that they desire to help the entire American economy.

The American consumer has a stake in farm legislation. The average consumer in America wants the American farmer to enjoy that which under the American system he has a right to enjoy. But the Senate, represented by so many individuals who have devoted a long lifetime to the subject, demonstrates on the record that most of those who come from farm States stood up and said, when the present farm bill was before the Senate, "This bill ought not to pass."

Madam President, one additional comment and I shall be finished. I should not like the RECORD to show, even in the absence of the Senator from Florida [Mr. HOLLAND], that I would demean Palm Beach as a place in which farming and animal husbandry may be studied. But by the same token I wish the RECORD to show that beautiful Palm Springs, in the State from which I come, is a part of a vast expanse of God's wonderful desert, which, with the water which my friends have permitted us to use in southern California, has ripened into a veritable Garden of Eden. Here one can study farming, if he so desires, or merely rest and enjoy the magnificence of which we in California are so proud.

With that statement I bid my able friend from Minnesota goodnight. I

hope he will now forthwith suggest that we conclude our deliberations for the week.

Mr. HUMPHREY. Madam President, first I wish to compliment my good friend from California for his repartee and splendid argument. I have never known a man who could make such a good case out of so little information and facts. I heartily commend him.

ADJOURNMENT

Mr. HUMPHREY. Madam President, on that happy note, I now move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 38 minutes p.m.) the Senate adjourned until Monday, June 25, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, June 23, 1962:

U.S. DISTRICT JUDGES

Edward J. McManus, of Iowa, to be U.S. district judge for the northern district of Iowa, vice Henry N. Craven, retired.

William C. Hanson, of Iowa, to be U.S. district judge for the northern and southern districts of Iowa, vice a new position.

EXTENSIONS OF REMARKS

Address by Senator Goldwater Before National Editorial Association

EXTENSION OF REMARKS OF

HON. BARRY GOLDWATER

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Saturday, June 23, 1962

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address delivered by myself before the 77th annual convention of the National Editorial Association, at Hershey, Pa., on June 22, 1962.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF A SPEECH BY U.S. SENATOR BARRY GOLDWATER, REPUBLICAN, OF ARIZONA, TO THE 77TH ANNUAL CONVENTION OF THE NATIONAL EDITORIAL ASSOCIATION, HERSHEY HOTEL, HERSHEY, PA., JUNE 22, 1962

Mr. Chairman and members of the National Editorial Association, I am highly honored to be here tonight and to be able to share with you some of my views and some of my concern over the development of public policy in these critical days of challenge and opportunity. You know, when I stop to think of the number of dry political speeches to which newsmen are subjected these days, I begin to wonder, even marvel, that I was invited to appear on this important occasion. I guess you know that I am not exactly noted for making non-political speeches. And I make no apologies. Politics, in a very important sense, is my

business, and today I believe it is becoming the business of everyone in this country who worries about the present trend of events and our ability to lead the free world. Certainly every one of you here tonight who has a financial stake in the newspaper business has cause for taking a direct part in the selection and election of government officials who believe in sound fiscal practices as well as firmness and resolution in the handling of our international affairs.

Tonight, I want to talk to you primarily about the domestic situation and the problems which confront us in the drive to expand our economic growth and provide a rapidly expanding population with the employment and living standards necessary to maintain our national strength.

Figures aren't always a useful tool in explaining the magnitude of a national problem, but very often there is no other way. So in order to get some perspective on the great need today for economic growth, let me remind you that in 1961 more than 2.2 million new workers joined the scramble for jobs in the United States. By 1970, the number of new workers entering the American labor market every year will be 3 million. This will give you some idea of the job ahead.

Now how do you create new jobs? Can you do it through Government fiat or legislative action? Could the President issue an Executive order saying the Government will provide them? Will they come from the \$2.6 billion public works program the administration has proposed? Will they be provided through increased Government spending in other fields?

The answer, of course, is that only the private enterprise economy can provide the kind of jobs needed. And this requires an investment of \$18,500 on the average for each new job. So where do we get investments of the magnitude required? We can

get it only from people with enough nerve and enough faith in the business future to put their money into new enterprises and into programs for expanding existing ones.

This being the case, the big job today—as always—is the fostering of the kind of climate that will encourage investors; that will deepen the faith of the American people in the future of the free enterprise system. An investor must have reasonable assurance of a fair return on his money or he won't put it up. He'll leave it idle on deposit. And this does nothing to enhance the economic growth of the United States. It does nothing to ease the persistent and nagging problem of unemployment. It does nothing to correct our unfavorable balance of international payments. It does nothing to ease the high rate of business failures which plague our economy.

Today, you have only to look at the stock market to understand that something is wrong. I don't care how many scholarly explanations we get from the White House and the Treasury Department, the fact remains that the stock market in this country is a gigantic mirror which reflects business attitudes and the man-on-the-street opinion. It is a sensitive mechanism which responds quickly to national events and public trends.

We have seen how it reacts when a President suffers a heart attack. We have seen how it reacts when a threat of war arises. We have seen how it reacts when a strike occurs in a basic industry.

And we also have seen how it reacts to executive action aimed at a single industry. We have seen it react to the steady insistence upon foolish and unsound economic policies. We have seen it react to new threats of Government recourse in the event of what the President describes as "angry argument."

What you have seen in the stock market reactions of the past weeks is a massive vote